

H. F. No. 1377

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

## ARTICLE 1

### PROPERTY TAXES

Section 1. Minnesota Statutes 2022, section 272.01, subdivision 2, is amended to read:

Subd. 2. **Exempt property used by private entity for profit.** (a) When any real or personal property which is exempt from ad valorem taxes, and taxes in lieu thereof, is leased, loaned, or otherwise made available and used by a private individual, association, or corporation in connection with a business conducted for profit, there shall be imposed a tax, for the privilege of so using or possessing such real or personal property, in the same amount and to the same extent as though the lessee or user was the owner of such property.

(b) The tax imposed by this subdivision shall not apply to:

(1) property leased or used as a concession in or relative to the use in whole or part of a public park, market, fairgrounds, port authority, economic development authority established under chapter 469, municipal auditorium, municipal parking facility, municipal museum, or municipal stadium;

(2) except as provided in paragraph (c), property of an airport owned by a city, town, county, or group thereof ~~which~~ that is:

(i) leased to or used by any person or entity including a fixed base operator; and

(ii) used as a hangar for the storage ~~or~~ repair, or manufacture of aircraft or to provide aviation goods, services, or facilities to the airport or general public;

~~the exception from taxation provided in this clause does not apply to:~~

~~(i) property located at an airport owned or operated by the Metropolitan Airports Commission or by a city of over 50,000 population according to the most recent federal census or such a city's airport authority; or~~

~~(ii) hangars leased by a private individual, association, or corporation in connection with a business conducted for profit other than an aviation-related business;~~

(3) property constituting or used as a public pedestrian ramp or concourse in connection with a public airport;

(4) except as provided in paragraph (d), property constituting or used as a passenger check-in area or ticket sale counter, boarding area, or luggage claim area in connection with a public airport ~~but not the airports owned or operated by the Metropolitan Airports~~

~~Commission or cities of over 50,000 population or an airport authority therein. Real estate owned by a municipality in connection with the operation of a public airport and leased or used for agricultural purposes is not exempt;~~

(5) property leased, loaned, or otherwise made available to a private individual, corporation, or association under a cooperative farming agreement made pursuant to section 97A.135; or

(6) property leased, loaned, or otherwise made available to a private individual, corporation, or association under section 272.68, subdivision 4.

(c) The exception from taxation provided in paragraph (b), clause (2), does not apply to:

(1) property located at an airport owned or operated by:

(i) the Metropolitan Airports Commission; or

(ii) a city of over 50,000 population according to the most recent federal census or such a city's airport authority, except that, when calculating the tax imposed by this subdivision for property taxes payable in 2024 through 2035, the net tax capacity of such property is reduced by 50 percent if it is owned or operated by a city of over 50,000 but under 150,000 in population according to the most recent federal census or by such a city's airport authority; or

(2) hangars leased by a private individual, association, or corporation in connection with a business conducted for profit other than an aviation-related business.

(d) The exception from taxation provided in paragraph (b), clause (4), does not apply to:

(1) the property described in paragraph (b), clause (4), at airports that are owned or operated by:

(i) the Metropolitan Airports Commission; or

(ii) a city of over 50,000 population or an airport authority therein, except that, when calculating the tax imposed by this subdivision for property taxes payable in 2024 through 2035, the net tax capacity of such property is reduced by 50 percent if it is owned or operated by a city of over 50,000 but under 150,000 in population according to the most recent federal census or by such a city's airport authority; or

(2) real estate owned by a municipality in connection with the operation of a public airport and leased or used for agricultural purposes.

4.1 ~~(e)~~ (e) Taxes imposed by this subdivision are payable as in the case of personal property  
4.2 taxes and shall be assessed to the lessees or users of real or personal property in the same  
4.3 manner as taxes assessed to owners of real or personal property, except that such taxes shall  
4.4 not become a lien against the property. When due, the taxes shall constitute a debt due from  
4.5 the lessee or user to the state, township, city, county, and school district for which the taxes  
4.6 were assessed and shall be collected in the same manner as personal property taxes. If  
4.7 property subject to the tax imposed by this subdivision is leased or used jointly by two or  
4.8 more persons, each lessee or user shall be jointly and severally liable for payment of the  
4.9 tax.

4.10 ~~(d)~~ (f) The tax on real property of the federal government, the state or any of its political  
4.11 subdivisions that is leased, loaned, or otherwise made available to a private individual,  
4.12 association, or corporation and becomes taxable under this subdivision or other provision  
4.13 of law must be assessed and collected as a personal property assessment. The taxes do not  
4.14 become a lien against the real property.

4.15 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
4.16 in 2024.

4.17 Sec. 2. Minnesota Statutes 2022, section 272.02, subdivision 24, is amended to read:

4.18 Subd. 24. **Solar energy generating systems.** Personal property consisting of solar energy  
4.19 generating systems, as defined in section 272.0295, is exempt. If the real property upon  
4.20 which a solar energy generating system is located is used primarily for solar energy  
4.21 production subject to the production tax under section 272.0295, the real property shall be  
4.22 classified as class 3a. If the real property upon which a solar energy generating system is  
4.23 located is not used primarily for solar energy production subject to the production tax under  
4.24 section 272.0295, the real property shall be classified without regard to the system. If real  
4.25 property contains more than one solar energy generating system that cannot be combined  
4.26 with the nameplate capacity of another solar energy generating system for the purposes of  
4.27 the production tax under section 272.0295, but is in aggregate over one megawatt, then the  
4.28 real property upon which the systems are located shall be classified as class 3a.

4.29 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
4.30 in 2024 and thereafter.

4.31 Sec. 3. Minnesota Statutes 2022, section 272.02, subdivision 98, is amended to read:

4.32 Subd. 98. **Certain property owned by an Indian tribe.** (a) Property is exempt that:

(1) was classified as 3a under section 273.13, subdivision 24, for taxes payable in 2013;

(2) is located in a city of the first class with a population greater than 300,000 as of the 2010 federal census;

(3) was on January 2, 2012, and is for the current assessment owned by a federally recognized Indian tribe, or its instrumentality, that is located within the state of Minnesota; and

(4) is used exclusively for tribal purposes or institutions of purely public charity as defined in subdivision 7.

(b) For purposes of this subdivision, a "tribal purpose" means a public purpose as defined in subdivision 8 and includes noncommercial tribal government activities. Property that qualifies for the exemption under this subdivision is limited to no more than two contiguous parcels and structures that do not exceed in the aggregate 20,000 square feet. Property acquired for single-family housing, market-rate apartments, agriculture, or forestry does not qualify for this exemption. ~~The exemption created by~~ This subdivision expires with taxes payable in ~~2024~~ 2034.

(c) Property exempt under this section is exempt from the requirements of section 272.025. Upon the written request of an assessor, all books and records relating to the ownership or use of the property which are reasonably necessary to verify that the property qualifies for exemption shall be made available to the assessor.

**EFFECTIVE DATE.** This section is effective for property taxes payable in 2023 and thereafter.

Sec. 4. Minnesota Statutes 2022, section 272.02, is amended by adding a subdivision to read:

Subd. 105. **Elderly living facility.** An elderly living facility is exempt from taxation if it meets all of the following requirements:

(1) the facility is located in a city of the first class with a population of fewer than 110,000;

(2) the facility is owned and operated by a nonprofit organization with tax exempt status under section 501(c)(3) of the Internal Revenue Code;

(3) construction of the facility was completed between January 1, 1963, and January 1, 1964;

(4) the facility is an assisted living facility licensed by the state of Minnesota;

6.1 (5) residents of the facility must be (i) at least 55 years of age, or (ii) disabled; and

6.2 (6) at least 30 percent of the units in the facility are occupied by persons whose annual  
6.3 income does not exceed 50 percent of the median family income for the area.

6.4 For assessment year 2022 only, an exemption application under this section must be filed  
6.5 with the county assessor by June 15, 2023.

6.6 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2023.

6.7 Sec. 5. Minnesota Statutes 2022, section 273.11, subdivision 12, is amended to read:

6.8 Subd. 12. **Community land trusts.** (a) A community land trust, as defined under chapter  
6.9 462A, is (i) a community-based nonprofit corporation organized under chapter 317A, which  
6.10 qualifies for tax exempt status under 501(c)(3), or (ii) a "city" as defined in section 462C.02,  
6.11 subdivision 6, which has received funding from the Minnesota housing finance agency for  
6.12 purposes of the community land trust program. The Minnesota Housing Finance Agency  
6.13 shall set the criteria for community land trusts.

6.14 (b) Before the community land trust can rent or sell a unit to an applicant, the community  
6.15 land trust shall verify to the satisfaction of the administering agency or the city that the  
6.16 family income of each person or family applying for a unit in the community land trust  
6.17 building is within the income criteria provided in section 462A.30, subdivision 9. The  
6.18 administering agency or the city shall verify to the satisfaction of the county assessor that  
6.19 the occupant meets the income criteria under section 462A.30, subdivision 9. The property  
6.20 tax benefits under paragraph (c) shall be granted only to property owned or rented by persons  
6.21 or families within the qualifying income limits. The family income criteria and verification  
6.22 is only necessary at the time of initial occupancy in the property.

6.23 (c) A unit which is owned by the occupant and used as a homestead by the occupant  
6.24 qualifies for homestead treatment as class 1a under section 273.13, subdivision 22, or class  
6.25 4d if the requirements of section 273.13, subdivision 25, paragraph (e), clause (2), are met.  
6.26 A unit which is rented by the occupant and used as a homestead by the occupant shall be  
6.27 class 4a or 4b property, under section 273.13, subdivision 25, whichever is applicable. Any  
6.28 remaining portion of the property not used for residential purposes shall be classified by  
6.29 the assessor in the appropriate class based upon the use of that portion of the property owned  
6.30 by the community land trust. The land upon which the building is located shall be assessed  
6.31 at the same classification rate as the units within the building, provided that if the building  
6.32 contains some units assessed as class 1a or class 4d and some units assessed as class 4a or

4b, the market value of the land will be assessed in the same proportions as the value of the building.

**EFFECTIVE DATE.** This section is effective beginning with assessment year 2024 and thereafter.

Sec. 6. Minnesota Statutes 2022, section 273.13, subdivision 25, is amended to read:

**Subd. 25. Class 4.** (a) Class 4a is residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence for rental periods of 30 days or more, excluding property qualifying for class 4d. Class 4a also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt under section 272.02, and contiguous property used for hospital purposes, without regard to whether the property has been platted or subdivided. The market value of class 4a property has a classification rate of 1.25 percent.

(b) Class 4b includes:

(1) residential real estate containing less than four units, including property rented as a short-term rental property for more than 14 days in the preceding year, that does not qualify as class 4bb, other than seasonal residential recreational property;

(2) manufactured homes not classified under any other provision;

(3) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b) containing two or three units; and

(4) unimproved property that is classified residential as determined under subdivision 33.

For the purposes of this paragraph, "short-term rental property" means nonhomestead residential real estate rented for periods of less than 30 consecutive days.

The market value of class 4b property has a classification rate of 1.25 percent.

(c) Class 4bb includes:

(1) nonhomestead residential real estate containing one unit, other than seasonal residential recreational property;

(2) a single family dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b); and

(3) a condominium-type storage unit having an individual property identification number that is not used for a commercial purpose.

8.1 Class 4bb property has the same classification rates as class 1a property under subdivision  
8.2 22.

8.3 Property that has been classified as seasonal residential recreational property at any time  
8.4 during which it has been owned by the current owner or spouse of the current owner does  
8.5 not qualify for class 4bb.

8.6 (d) Class 4c property includes:

8.7 (1) except as provided in subdivision 22, paragraph (c), real and personal property  
8.8 devoted to commercial temporary and seasonal residential occupancy for recreation purposes,  
8.9 for not more than 250 days in the year preceding the year of assessment. For purposes of  
8.10 this clause, property is devoted to a commercial purpose on a specific day if any portion of  
8.11 the property is used for residential occupancy, and a fee is charged for residential occupancy.  
8.12 Class 4c property under this clause must contain three or more rental units. A "rental unit"  
8.13 is defined as a cabin, condominium, townhouse, sleeping room, or individual camping site  
8.14 equipped with water and electrical hookups for recreational vehicles. A camping pad offered  
8.15 for rent by a property that otherwise qualifies for class 4c under this clause is also class 4c  
8.16 under this clause regardless of the term of the rental agreement, as long as the use of the  
8.17 camping pad does not exceed 250 days. In order for a property to be classified under this  
8.18 clause, either (i) the business located on the property must provide recreational activities,  
8.19 at least 40 percent of the annual gross lodging receipts related to the property must be from  
8.20 business conducted during 90 consecutive days, and either (A) at least 60 percent of all paid  
8.21 bookings by lodging guests during the year must be for periods of at least two consecutive  
8.22 nights; or (B) at least 20 percent of the annual gross receipts must be from charges for  
8.23 providing recreational activities, or (ii) the business must contain 20 or fewer rental units,  
8.24 and must be located in a township or a city with a population of 2,500 or less located outside  
8.25 the metropolitan area, as defined under section 473.121, subdivision 2, that contains a portion  
8.26 of a state trail administered by the Department of Natural Resources. For purposes of item  
8.27 (i)(A), a paid booking of five or more nights shall be counted as two bookings. Class 4c  
8.28 property also includes commercial use real property used exclusively for recreational  
8.29 purposes in conjunction with other class 4c property classified under this clause and devoted  
8.30 to temporary and seasonal residential occupancy for recreational purposes, up to a total of  
8.31 two acres, provided the property is not devoted to commercial recreational use for more  
8.32 than 250 days in the year preceding the year of assessment and is located within two miles  
8.33 of the class 4c property with which it is used. In order for a property to qualify for  
8.34 classification under this clause, the owner must submit a declaration to the assessor  
8.35 designating the cabins or units occupied for 250 days or less in the year preceding the year



of assessment by January 15 of the assessment year. Those cabins or units and a proportionate share of the land on which they are located must be designated class 4c under this clause as otherwise provided. The remainder of the cabins or units and a proportionate share of the land on which they are located will be designated as class 3a. The owner of property desiring designation as class 4c property under this clause must provide guest registers or other records demonstrating that the units for which class 4c designation is sought were not occupied for more than 250 days in the year preceding the assessment if so requested. The portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center or meeting room, and (5) other nonresidential facility operated on a commercial basis not directly related to temporary and seasonal residential occupancy for recreation purposes does not qualify for class 4c. For the purposes of this paragraph, "recreational activities" means renting ice fishing houses, boats and motors, snowmobiles, downhill or cross-country ski equipment; providing marina services, launch services, or guide services; or selling bait and fishing tackle;

(2) qualified property used as a golf course if:

(i) it is open to the public on a daily fee basis. It may charge membership fees or dues, but a membership fee may not be required in order to use the property for golfing, and its green fees for golfing must be comparable to green fees typically charged by municipal courses; and

(ii) it meets the requirements of section 273.112, subdivision 3, paragraph (d).

A structure used as a clubhouse, restaurant, or place of refreshment in conjunction with the golf course is classified as class 3a property;

(3) real property up to a maximum of three acres of land owned and used by a nonprofit community service oriented organization and not used for residential purposes on either a temporary or permanent basis, provided that:

(i) the property is not used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment; or

(ii) the organization makes annual charitable contributions and donations at least equal to the property's previous year's property taxes and the property is allowed to be used for public and community meetings or events for no charge, as appropriate to the size of the facility.

For purposes of this clause:

(A) "charitable contributions and donations" has the same meaning as lawful gambling purposes under section 349.12, subdivision 25, excluding those purposes relating to the payment of taxes, assessments, fees, auditing costs, and utility payments;

(B) "property taxes" excludes the state general tax;

(C) a "nonprofit community service oriented organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (8), (10), or (19) of the Internal Revenue Code; and

(D) "revenue-producing activities" shall include but not be limited to property or that portion of the property that is used as an on-sale intoxicating liquor or 3.2 percent malt liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling alley, a retail store, gambling conducted by organizations licensed under chapter 349, an insurance business, or office or other space leased or rented to a lessee who conducts a for-profit enterprise on the premises.

Any portion of the property not qualifying under either item (i) or (ii) is class 3a. The use of the property for social events open exclusively to members and their guests for periods of less than 24 hours, when an admission is not charged nor any revenues are received by the organization shall not be considered a revenue-producing activity.

The organization shall maintain records of its charitable contributions and donations and of public meetings and events held on the property and make them available upon request any time to the assessor to ensure eligibility. An organization meeting the requirement under item (ii) must file an application by May 1 with the assessor for eligibility for the current year's assessment. The commissioner shall prescribe a uniform application form and instructions;

(4) postsecondary student housing of not more than one acre of land that is owned by a nonprofit corporation organized under chapter 317A and is used exclusively by a student cooperative, sorority, or fraternity for on-campus housing or housing located within two miles of the border of a college campus;

(5)(i) manufactured home parks as defined in section 327.14, subdivision 3, excluding manufactured home parks described in items (ii) and (iii), (ii) manufactured home parks as defined in section 327.14, subdivision 3, that are described in section 273.124, subdivision 3a, and (iii) class I manufactured home parks as defined in section 327C.015, subdivision 2;

11.1 (6) real property that is actively and exclusively devoted to indoor fitness, health, social,  
11.2 recreational, and related uses, is owned and operated by a not-for-profit corporation, and is  
11.3 located within the metropolitan area as defined in section 473.121, subdivision 2;

11.4 (7) a leased or privately owned noncommercial aircraft storage hangar not exempt under  
11.5 section 272.01, subdivision 2, and the land on which it is located, provided that:

11.6 (i) the land is on an airport owned or operated by a city, town, county, Metropolitan  
11.7 Airports Commission, or group thereof; and

11.8 (ii) the land lease, or any ordinance or signed agreement restricting the use of the leased  
11.9 premise, prohibits commercial activity performed at the hangar.

11.10 If a hangar classified under this clause is sold after June 30, 2000, a bill of sale must be  
11.11 filed by the new owner with the assessor of the county where the property is located within  
11.12 60 days of the sale;

11.13 (8) a privately owned noncommercial aircraft storage hangar not exempt under section  
11.14 272.01, subdivision 2, and the land on which it is located, provided that:

11.15 (i) the land abuts a public airport; and

11.16 (ii) the owner of the aircraft storage hangar provides the assessor with a signed agreement  
11.17 restricting the use of the premises, prohibiting commercial use or activity performed at the  
11.18 hangar; and

11.19 (9) residential real estate, a portion of which is used by the owner for homestead purposes,  
11.20 and that is also a place of lodging, if all of the following criteria are met:

11.21 (i) rooms are provided for rent to transient guests that generally stay for periods of 14  
11.22 or fewer days;

11.23 (ii) meals are provided to persons who rent rooms, the cost of which is incorporated in  
11.24 the basic room rate;

11.25 (iii) meals are not provided to the general public except for special events on fewer than  
11.26 seven days in the calendar year preceding the year of the assessment; and

11.27 (iv) the owner is the operator of the property.

11.28 The market value subject to the 4c classification under this clause is limited to five rental  
11.29 units. Any rental units on the property in excess of five, must be valued and assessed as  
11.30 class 3a. The portion of the property used for purposes of a homestead by the owner must  
11.31 be classified as class 1a property under subdivision 22;

12.1 (10) real property up to a maximum of three acres and operated as a restaurant as defined  
12.2 under section 157.15, subdivision 12, provided it: (i) is located on a lake as defined under  
12.3 section 103G.005, subdivision 15, paragraph (a), clause (3); and (ii) is either devoted to  
12.4 commercial purposes for not more than 250 consecutive days, or receives at least 60 percent  
12.5 of its annual gross receipts from business conducted during four consecutive months. Gross  
12.6 receipts from the sale of alcoholic beverages must be included in determining the property's  
12.7 qualification under item (ii). The property's primary business must be as a restaurant and  
12.8 not as a bar. Gross receipts from gift shop sales located on the premises must be excluded.  
12.9 Owners of real property desiring 4c classification under this clause must submit an annual  
12.10 declaration to the assessor by February 1 of the current assessment year, based on the  
12.11 property's relevant information for the preceding assessment year;

12.12 (11) lakeshore and riparian property and adjacent land, not to exceed six acres, used as  
12.13 a marina, as defined in section 86A.20, subdivision 5, which is made accessible to the public  
12.14 and devoted to recreational use for marina services. The marina owner must annually provide  
12.15 evidence to the assessor that it provides services, including lake or river access to the public  
12.16 by means of an access ramp or other facility that is either located on the property of the  
12.17 marina or at a publicly owned site that abuts the property of the marina. No more than 800  
12.18 feet of lakeshore may be included in this classification. Buildings used in conjunction with  
12.19 a marina for marina services, including but not limited to buildings used to provide food  
12.20 and beverage services, fuel, boat repairs, or the sale of bait or fishing tackle, are classified  
12.21 as class 3a property; and

12.22 (12) real and personal property devoted to noncommercial temporary and seasonal  
12.23 residential occupancy for recreation purposes.

12.24 Class 4c property has a classification rate of 1.5 percent of market value, except that (i)  
12.25 each parcel of noncommercial seasonal residential recreational property under clause (12)  
12.26 has the same classification rates as class 4bb property, (ii) manufactured home parks assessed  
12.27 under clause (5), item (i), have the same classification rate as class 4b property, the market  
12.28 value of manufactured home parks assessed under clause (5), item (ii), have a classification  
12.29 rate of 0.75 percent if more than 50 percent of the lots in the park are occupied by  
12.30 shareholders in the cooperative corporation or association and a classification rate of one  
12.31 percent if 50 percent or less of the lots are so occupied, and class I manufactured home  
12.32 parks as defined in section 327C.015, subdivision 2, have a classification rate of 1.0 percent,  
12.33 (iii) commercial-use seasonal residential recreational property and marina recreational land  
12.34 as described in clause (11), has a classification rate of one percent for the first \$500,000 of  
12.35 market value, and 1.25 percent for the remaining market value, (iv) the market value of

property described in clause (4) has a classification rate of one percent, (v) the market value of property described in clauses (2), (6), and (10) has a classification rate of 1.25 percent, (vi) that portion of the market value of property in clause (9) qualifying for class 4c property has a classification rate of 1.25 percent, and (vii) property qualifying for classification under clause (3) that is owned or operated by a congressionally chartered veterans organization has a classification rate of one percent. The commissioner of veterans affairs must provide a list of congressionally chartered veterans organizations to the commissioner of revenue by June 30, 2017, and by January 1, 2018, and each year thereafter.

(e) Class 4d property is includes:

(1) qualifying low-income rental housing certified to the assessor by the Housing Finance Agency under section 273.128, subdivision 3. If only a portion of the units in the building qualify as low-income rental housing units as certified under section 273.128, subdivision 3, only the proportion of qualifying units to the total number of units in the building qualify for class 4d(1). The remaining portion of the building shall be classified by the assessor based upon its use. Class 4d(1) also includes the same proportion of land as the qualifying low-income rental housing units are to the total units in the building. For all properties qualifying as class 4d(1), the market value determined by the assessor must be based on the normal approach to value using normal unrestricted rents; and

(2) a unit that is owned by the occupant and used as a homestead by the occupant, and otherwise meets all the requirements for community land trust property under section 273.11, subdivision 12, provided that by December 31 of each assessment year, the community land trust certifies to the assessor that (i) the community land trust owns the real property on which the unit is located, and (ii) the unit owner is a member in good standing of the community land trust. For all units qualifying as class 4d(2), the market value determined by the assessor must be based on the normal approach to value without regard to any restrictions that apply because the unit is a community land trust property.

(f) The first tier of market value of class 4d(1) property has a classification rate of 0.75 percent. The remaining value of class 4d(1) property has a classification rate of 0.25 percent. For the purposes of this paragraph, the "first tier of market value of class 4d(1) property" means the market value of each housing unit up to the first tier limit. For the purposes of this paragraph, all class 4d property value must be assigned to individual housing units. The first tier limit is \$100,000 for assessment years 2022 and 2023. For subsequent assessment years, the limit is adjusted each year by the average statewide change in estimated market value of property classified as class 4a and 4d under this section for the previous assessment year, excluding valuation change due to new construction, rounded to the nearest \$1,000,

provided, however, that the limit may never be less than \$100,000. Beginning with assessment year 2015, the commissioner of revenue must certify the limit for each assessment year by November 1 of the previous year. Class 4d(2) property has a classification rate of 0.75 percent.

**EFFECTIVE DATE.** This section is effective beginning with assessment year 2024 and thereafter.

Sec. 7. Minnesota Statutes 2022, section 273.13, subdivision 34, is amended to read:

**Subd. 34. Homestead of veteran with a disability or family caregiver.** (a) All or a portion of the market value of property owned by a veteran and serving as the veteran's homestead under this section is excluded in determining the property's taxable market value if the veteran has a service-connected disability of 70 percent or more as certified by the United States Department of Veterans Affairs. To qualify for exclusion under this subdivision, the veteran must have been honorably discharged from the United States armed forces, as indicated by United States Government Form DD214 or other official military discharge papers.

(b)(1) For a disability rating of 70 percent or more, \$150,000 of market value is excluded, except as provided in clause (2); and

(2) for a total (100 percent) and permanent disability, \$300,000 of market value is excluded.

(c) If a veteran with a disability qualifying for a valuation exclusion under paragraph (b), clause (2), predeceases the veteran's spouse, and if upon the death of the veteran the spouse holds the legal or beneficial title to the homestead and permanently resides there, the exclusion shall carry over to the benefit of the veteran's spouse until such time as the spouse remarries, or sells, transfers, or otherwise disposes of the property, except as otherwise provided in paragraph (n). Qualification under this paragraph requires an application under paragraph (h), and a spouse must notify the assessor if there is a change in the spouse's marital status, ownership of the property, or use of the property as a permanent residence.

(d) If the spouse of a member of any branch or unit of the United States armed forces who dies due to a service-connected cause while serving honorably in active service, as indicated on United States Government Form DD1300 or DD2064, holds the legal or beneficial title to a homestead and permanently resides there, the spouse is entitled to the benefit described in paragraph (b), clause (2), until such time as the spouse remarries or

15.1 sells, transfers, or otherwise disposes of the property, except as otherwise provided in  
15.2 paragraph (n).

15.3 (e) If a veteran meets the disability criteria of paragraph (a) but does not own property  
15.4 classified as homestead in the state of Minnesota, then the homestead of the veteran's primary  
15.5 family caregiver, if any, is eligible for the exclusion that the veteran would otherwise qualify  
15.6 for under paragraph (b).

15.7 (f) In the case of an agricultural homestead, only the portion of the property consisting  
15.8 of the house and garage and immediately surrounding one acre of land qualifies for the  
15.9 valuation exclusion under this subdivision.

15.10 (g) A property qualifying for a valuation exclusion under this subdivision is not eligible  
15.11 for the market value exclusion under subdivision 35, or classification under subdivision 22,  
15.12 paragraph (b).

15.13 (h) To qualify for a valuation exclusion under this subdivision a property owner must  
15.14 apply to the assessor by December 31 of the first assessment year for which the exclusion  
15.15 is sought. Except as provided in paragraph (c), the owner of a property that has been accepted  
15.16 for a valuation exclusion must notify the assessor if there is a change in ownership of the  
15.17 property or in the use of the property as a homestead.

15.18 (i) A first-time application by a qualifying spouse for the market value exclusion under  
15.19 paragraph (d) must be made any time within two years of the death of the service member.

15.20 (j) For purposes of this subdivision:

15.21 (1) "active service" has the meaning given in section 190.05;

15.22 (2) "own" means that the person's name is present as an owner on the property deed;

15.23 (3) "primary family caregiver" means a person who is approved by the secretary of the  
15.24 United States Department of Veterans Affairs for assistance as the primary provider of  
15.25 personal care services for an eligible veteran under the Program of Comprehensive Assistance  
15.26 for Family Caregivers, codified as United States Code, title 38, section 1720G; and

15.27 (4) "veteran" has the meaning given the term in section 197.447.

15.28 (k) If a veteran ~~dying after December 31, 2011~~, did not apply for or receive the exclusion  
15.29 under paragraph (b), clause (2), before dying, or the exclusion under paragraph (b), clause  
15.30 (2), did not exist at the time of the veterans death, the veteran's spouse is entitled to the  
15.31 benefit under paragraph (b), clause (2), until the spouse remarries or sells, transfers, or  
15.32 otherwise disposes of the property, except as otherwise provided in paragraph (n), if:

16.1 (1) the spouse files a first-time application ~~within two years of the death of the service~~  
16.2 ~~member or by June 1, 2019, whichever is later;~~

16.3 (2) upon the death of the veteran, the spouse holds the legal or beneficial title to the  
16.4 homestead and permanently resides there;

16.5 (3) the veteran met the honorable discharge requirements of paragraph (a); and

16.6 (4) the United States Department of Veterans Affairs certifies that:

16.7 (i) the veteran met the total (100 percent) and permanent disability requirement under  
16.8 paragraph (b), clause (2); or

16.9 (ii) the spouse has been awarded dependency and indemnity compensation.

16.10 (l) The purpose of this provision of law providing a level of homestead property tax  
16.11 relief for veterans with a disability, their primary family caregivers, and their surviving  
16.12 spouses is to help ease the burdens of war for those among our state's citizens who bear  
16.13 those burdens most heavily.

16.14 (m) By July 1, the county veterans service officer must certify the disability rating and  
16.15 permanent address of each veteran receiving the benefit under paragraph (b) to the assessor.

16.16 (n) A spouse who received the benefit in paragraph (c), (d), or (k) but no longer holds  
16.17 the legal or beneficial title to the property may continue to receive the exclusion for a  
16.18 property other than the property for which the exclusion was initially granted until the spouse  
16.19 remarries or sells, transfers, or otherwise disposes of the property, provided that:

16.20 (1) the spouse applies under paragraph (h) for the continuation of the exclusion allowed  
16.21 under this paragraph;

16.22 (2) the spouse holds the legal or beneficial title to the property for which the continuation  
16.23 of the exclusion is sought under this paragraph, and permanently resides there;

16.24 (3) the estimated market value of the property for which the exclusion is sought under  
16.25 this paragraph is less than or equal to the estimated market value of the property that first  
16.26 received the exclusion, based on the value of each property on the date of the sale of the  
16.27 property that first received the exclusion; and

16.28 (4) the spouse has not previously received the benefit under this paragraph for a property  
16.29 other than the property for which the exclusion is sought.

16.30 (o) If a spouse had previously qualified under paragraph (c) or (d) and the exclusion  
16.31 expired prior to taxes payable in 2020, the spouse may reapply under this section for the  
16.32 exclusion under paragraph (c) or (d).



**EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

Sec. 8. Minnesota Statutes 2022, section 273.13, subdivision 35, is amended to read:

Subd. 35. **Homestead market value exclusion.** (a) Prior to determining a property's net tax capacity under this section, property classified as 4d(2) under subdivision 25, paragraph (e), clause (2), class 1a or 1b under subdivision 22, and the portion of property classified as class 2a under subdivision 23 consisting of the house, garage, and surrounding one acre of land, shall be eligible for a market value exclusion as determined under paragraph (b).

(b) For a homestead valued at ~~\$76,000~~ \$80,300 or less, the exclusion is 40 percent of market value. For a homestead valued between ~~\$76,000~~ \$80,300 and ~~\$413,800~~ \$437,100, the exclusion is ~~\$30,400~~ \$32,120 minus nine percent of the valuation over ~~\$76,000~~ \$80,300. For a homestead valued at ~~\$413,800~~ \$437,100 or more, there is no valuation exclusion. The valuation exclusion shall be rounded to the nearest whole dollar, and may not be less than zero.

(c) Any valuation exclusions or adjustments under section 273.11 shall be applied prior to determining the amount of the valuation exclusion under this subdivision.

(d) In the case of a property that is classified as part homestead and part nonhomestead, (i) the exclusion shall apply only to the homestead portion of the property, but (ii) if a portion of a property is classified as nonhomestead solely because not all the owners occupy the property, not all the owners have qualifying relatives occupying the property, or solely because not all the spouses of owners occupy the property, the exclusion amount shall be initially computed as if that nonhomestead portion were also in the homestead class and then prorated to the owner-occupant's percentage of ownership. For the purpose of this section, when an owner-occupant's spouse does not occupy the property, the percentage of ownership for the owner-occupant spouse is one-half of the couple's ownership percentage.

**EFFECTIVE DATE.** This section is effective for assessment year 2024 and thereafter.

Sec. 9. Minnesota Statutes 2022, section 290A.03, subdivision 6, is amended to read:

Subd. 6. **Homestead.** "Homestead" means the dwelling occupied as the claimant's principal residence and so much of the land surrounding it, not exceeding ten acres, as is reasonably necessary for use of the dwelling as a home and any other property used for purposes of a homestead as defined in section 273.13, subdivision 22, ~~except~~ or section 273.13, subdivision 25, paragraph (e), clause (2). For agricultural land assessed as part of

a homestead pursuant to section 273.13, subdivision 23, "homestead" is limited to the house and garage and immediately surrounding one acre of land. The homestead may be owned or rented and may be a part of a multidwelling or multipurpose building and the land on which it is built. A manufactured home, as defined in section 273.125, subdivision 8, or a park trailer taxed as a manufactured home under section 168.012, subdivision 9, assessed as personal property may be a dwelling for purposes of this subdivision.

**EFFECTIVE DATE.** This section is effective for refund claims based on taxes payable in 2025 and thereafter.

Sec. 10. Minnesota Statutes 2022, section 290B.03, subdivision 1, is amended to read:

Subdivision 1. **Program qualifications.** The qualifications for the senior citizens' property tax deferral program are as follows:

(1) the property must be owned and occupied as a homestead by a person 65 years of age or older. In the case of a married couple, at least one of the spouses must be at least 65 years old at the time the first property tax deferral is granted, regardless of whether the property is titled in the name of one spouse or both spouses, or titled in another way that permits the property to have homestead status, and the other spouse must be at least 62 years of age;

(2) the total household income of the qualifying homeowners, as defined in section 290A.03, subdivision 5, for the calendar year preceding the year of the initial application may not exceed ~~\$60,000~~ \$96,000;

(3) the homestead must have been owned and occupied as the homestead of at least one of the qualifying homeowners for at least ~~15~~ five years prior to the year the initial application is filed;

(4) there are no state or federal tax liens or judgment liens on the homesteaded property;

(5) there are no mortgages or other liens on the property that secure future advances, except for those subject to credit limits that result in compliance with clause (6); and

(6) the total unpaid balances of debts secured by mortgages and other liens on the property, including unpaid and delinquent special assessments and interest and any delinquent property taxes, penalties, and interest, but not including property taxes payable during the year or debts secured by a residential PACE lien, as defined in section 216C.435, subdivision 10d, does not exceed 75 percent of the assessor's estimated market value for the year.

19.1 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes  
19.2 payable in 2024 and thereafter.

19.3 Sec. 11. Minnesota Statutes 2022, section 290B.04, subdivision 3, is amended to read:

19.4 Subd. 3. **Excess-income certification by taxpayer.** A taxpayer whose initial application  
19.5 has been approved under subdivision 2 shall notify the commissioner of revenue in writing  
19.6 by July 1 if the taxpayer's household income for the preceding calendar year exceeded  
19.7 ~~\$60,000~~ \$96,000. The certification must state the homeowner's total household income for  
19.8 the previous calendar year. No property taxes may be deferred under this chapter in any  
19.9 year following the year in which a program participant filed or should have filed an  
19.10 excess-income certification under this subdivision, unless the participant has filed a  
19.11 resumption of eligibility certification as described in subdivision 4.

19.12 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes  
19.13 payable in 2024 and thereafter.

19.14 Sec. 12. Minnesota Statutes 2022, section 290B.04, subdivision 4, is amended to read:

19.15 Subd. 4. **Resumption of eligibility certification by taxpayer.** A taxpayer who has  
19.16 previously filed an excess-income certification under subdivision 3 may resume program  
19.17 participation if the taxpayer's household income for a subsequent year is ~~\$60,000~~ \$96,000  
19.18 or less. If the taxpayer chooses to resume program participation, the taxpayer must notify  
19.19 the commissioner of revenue in writing by July 1 of the year following a calendar year in  
19.20 which the taxpayer's household income is ~~\$60,000~~ \$96,000 or less. The certification must  
19.21 state the taxpayer's total household income for the previous calendar year. Once a taxpayer  
19.22 resumes participation in the program under this subdivision, participation will continue until  
19.23 the taxpayer files a subsequent excess-income certification under subdivision 3 or until  
19.24 participation is terminated under section 290B.08, subdivision 1.

19.25 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes  
19.26 payable in 2024 and thereafter.

19.27 Sec. 13. Minnesota Statutes 2022, section 290B.05, subdivision 1, is amended to read:

19.28 Subdivision 1. **Determination by commissioner.** The commissioner shall determine  
19.29 each qualifying homeowner's "annual maximum property tax amount" following approval  
19.30 of the homeowner's initial application and following the receipt of a resumption of eligibility  
19.31 certification. The "annual maximum property tax amount" equals three percent of the  
19.32 homeowner's total household income for the year preceding either the initial application or

the resumption of eligibility certification, whichever is applicable. Following approval of the initial application, the commissioner shall determine the qualifying homeowner's "maximum allowable deferral." No tax may be deferred relative to the appropriate assessment year for any homeowner whose total household income for the previous year exceeds ~~\$60,000~~ \$96,000. No tax shall be deferred in any year in which the homeowner does not meet the program qualifications in section 290B.03. The maximum allowable total deferral is equal to 75 percent of the assessor's estimated market value for the year, less the balance of any mortgage loans and other amounts secured by liens against the property at the time of application, including any unpaid and delinquent special assessments and interest and any delinquent property taxes, penalties, and interest, but not including property taxes payable during the year.

**EFFECTIVE DATE.** This section is effective for applications for deferral of taxes payable in 2024 and thereafter.

Sec. 14. **NORTHWEST MINNESOTA MULTI-COUNTY HOUSING AND REDEVELOPMENT AUTHORITY; LEVY AUTHORITY.**

Notwithstanding any law to the contrary, Laws 2008, chapter 366, article 5, section 33, the effective date, as amended by Laws 2013, chapter 143, article 4, section 35, and Laws 2019, First Special Session chapter 6, article 4, section 31, is effective for taxes levied in 2008, payable in 2009, and is repealed effective for taxes levied in 2033, payable in 2034, and thereafter.

**EFFECTIVE DATE.** This section is effective the day after the governing body of the Northwest Minnesota Multi-County Housing and Redevelopment Authority and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

**ARTICLE 2**  
**MINERALS TAXES**

Section 1. Minnesota Statutes 2022, section 272.02, subdivision 73, is amended to read:

Subd. 73. **Property subject to taconite production tax or ~~net~~ gross proceeds tax.** (a) Real and personal property described in section 298.25 is exempt to the extent the tax on taconite and iron sulphides under section 298.24 is described in section 298.25 as being in lieu of other taxes on such property. This exemption applies for taxes payable in each year that the tax under section 298.24 is payable with respect to such property.

21.1 (b) Deposits of mineral, metal, or energy resources the mining of which is subject to  
21.2 taxation or the minimum payment under section 298.015 are exempt.

21.3 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

21.4 Sec. 2. Minnesota Statutes 2022, section 273.1341, is amended to read:

21.5 **273.1341 TACONITE ASSISTANCE AREA.**

21.6 A "taconite assistance area" means the geographic area that falls within the boundaries  
21.7 of a school district that contains:

21.8 (1) a municipality in which the assessed valuation of unmined iron ore on May 1, 1941,  
21.9 was not less than 40 percent of the assessed valuation of all real property; ~~or~~

21.10 (2) a municipality in which on January 1, 1977, or the applicable assessment date, there  
21.11 is a taconite concentrating plant or where taconite is mined or quarried or where there is  
21.12 located an electric generating plant which qualifies as a taconite facility; or

21.13 (3) a municipality:

21.14 (i) that is located in a county that contains a school district described in clause (1) or  
21.15 (2); and

21.16 (ii) where active mining of materials subject to the tax under section 298.015, subdivision  
21.17 1, is occurring.

21.18 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
21.19 31, 2022.

21.20 Sec. 3. Minnesota Statutes 2022, section 297A.68, subdivision 4, is amended to read:

21.21 Subd. 4. **Taconite, other ores, metals, or minerals; production materials.** Mill liners,  
21.22 grinding rods, and grinding balls that are substantially consumed in the production of taconite  
21.23 or other ores, metals, or minerals are exempt when sold to or stored, used, or consumed by  
21.24 persons taxed under the in-lieu or ~~net~~ gross proceeds provisions of chapter 298.

21.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

21.26 Sec. 4. Minnesota Statutes 2022, section 298.015, is amended to read:

21.27 **298.015 NET GROSS PROCEEDS TAX ON MINING.**

21.28 Subdivision 1. **Tax imposed.** A person engaged in the business of mining shall pay to  
21.29 the state of Minnesota for distribution as provided in section 298.018 a ~~net~~ gross proceeds

22.1 tax equal to ~~two~~ 0.4 percent of the ~~net~~ gross proceeds from mining in Minnesota. The tax  
22.2 applies to all ores, metals, and minerals mined, extracted, produced, or refined within the  
22.3 state of Minnesota except for sand, silica sand, gravel, building stone, crushed rock,  
22.4 limestone, granite, dimension granite, dimension stone, horticultural peat, clay, soil, iron  
22.5 ore, and taconite concentrates. The tax is in addition to all other taxes provided for by law.

22.6 Subd. 2. **Net Gross proceeds.** For purposes of this section, the term "~~net gross~~ gross proceeds"  
22.7 means the gross proceeds from mining, as defined in section 298.016, ~~less the deductions~~  
22.8 ~~for purposes of determining taxable income under section 298.01, subdivision 3b, applied~~  
22.9 ~~to the mining, production, processing, beneficiation, smelting, or refining of metal or mineral~~  
22.10 ~~products. No other credits or deductions shall apply to this tax.~~

22.11 Subd. 3. **Minimum payment.** A person who has obtained all required permits to mine  
22.12 all ores and metals, except for sand, silica sand, gravel, building stone, crushed rock,  
22.13 limestone, granite, dimension granite, dimension stone, horticultural peat, clay, soil, iron  
22.14 ore, and iron concentrates, is annually subject to the minimum payment under this  
22.15 subdivision, unless the tax imposed on the individual under subdivision 1 in a given year  
22.16 is greater than zero. The annual minimum payment under this subdivision is \$2,000,000.

22.17 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
22.18 31, 2022.

22.19 Sec. 5. Minnesota Statutes 2022, section 298.018, subdivision 1, is amended to read:

22.20 Subdivision 1. **Within taconite assistance area.** (a) The proceeds of the tax paid under  
22.21 sections 298.015 and 298.016 on ores, metals, or minerals mined or extracted within the  
22.22 taconite assistance area defined in section 273.1341, shall be allocated as follows:

22.23 (1) except as provided under paragraph (b), five percent to the city or town within which  
22.24 the minerals or energy resources are mined or extracted, or within which the concentrate  
22.25 was produced. If the mining and concentration, or different steps in either process, are  
22.26 carried on in more than one taxing district, the commissioner shall apportion equitably the  
22.27 proceeds among the cities and towns by attributing 50 percent of the proceeds of the tax to  
22.28 the operation of mining or extraction, and the remainder to the concentrating plant and to  
22.29 the processes of concentration, and with respect to each thereof giving due consideration  
22.30 to the relative extent of the respective operations performed in each taxing district;

22.31 (2) ten percent to the taconite municipal aid account to be distributed as provided in  
22.32 section 298.282, subdivisions 1 and 2, on the dates provided under this section;

(3) ten percent to the school district within which the minerals or energy resources are mined or extracted, or within which the concentrate was produced. If the mining and concentration, or different steps in either process, are carried on in more than one school district, distribution among the school districts must be based on the apportionment formula prescribed in clause (1);

(4) 20 percent to a group of school districts comprised of those school districts wherein the mineral or energy resource was mined or extracted or in which there is a qualifying municipality as defined by section 273.134, paragraph (b), in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted net tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions;

(5) ~~20~~ ten percent to the county within which the minerals or energy resources are mined or extracted, or within which the concentrate was produced. If the mining and concentration, or different steps in either process, are carried on in more than one county, distribution among the counties must be based on the apportionment formula prescribed in clause (1), provided that any county receiving distributions under this clause shall pay one percent of its proceeds to the Range Association of Municipalities and Schools;

(6) ~~20~~ five percent to St. Louis County acting as the counties' fiscal agent to be distributed as provided in sections 273.134 to 273.136;

(7) ~~five~~ 20 percent to the commissioner of Iron Range resources and rehabilitation for the purposes of section 298.22;

(8) three percent to the Douglas J. Johnson economic protection trust fund; ~~and~~

(9) seven percent to the taconite environmental protection fund; and

(10) ten percent to the commissioner of Iron Range resources and rehabilitation for capital improvements to Giants Ridge Recreation Area.

(b) If the materials or energy resources are mined, extracted, or concentrated in School District No. 2711, Mesabi East, then the amount under paragraph (a), clause (1), must instead be distributed pursuant to this paragraph. The cities of Aurora, Babbitt, Ely, and Hoyt Lakes

24.1 must each receive 20 percent of the amount. The city of Biwabik and Embarrass Township  
24.2 must each receive ten percent of the amount.

24.3 (c) For the first five years that distributions are made under this subdivision, ten percent  
24.4 of the total proceeds distributed in each year must first be distributed pursuant to this  
24.5 paragraph. The remaining 90 percent of the total proceeds distributed in each of those years  
24.6 must be distributed as outlined in paragraph (a). Of the amount available under this paragraph,  
24.7 the cities of Aurora, Babbitt, Ely, and Hoyt Lakes must each receive 20 percent. Of the  
24.8 amount available under this paragraph, the city of Biwabik and Embarrass Township must  
24.9 each receive ten percent.

24.10 **EFFECTIVE DATE.** This section is effective for distributions beginning after December  
24.11 31, 2022.

24.12 Sec. 6. Minnesota Statutes 2022, section 298.018, subdivision 1a, is amended to read:

24.13 Subd. 1a. **Distribution date.** The proceeds of the tax allocated under subdivision 1 shall  
24.14 be distributed on December 15 each year. Any payment of proceeds received after December  
24.15 15 shall be distributed on the next ~~net~~ gross proceeds tax distribution date.

24.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

24.17 Sec. 7. Minnesota Statutes 2022, section 298.28, subdivision 5, is amended to read:

24.18 Subd. 5. **Counties.** (a) 21.05 cents per taxable ton for distributions in 2015 through 2023,  
24.19 ~~and 26.05 cents per taxable ton for distributions beginning in 2024,~~ is allocated to counties  
24.20 to be distributed, based upon certification by the commissioner of revenue, under paragraphs  
24.21 (b) to (d).

24.22 (b) 10.525 cents per taxable ton shall be distributed to the county in which the taconite  
24.23 is mined or quarried or in which the concentrate is produced, less any amount which is to  
24.24 be distributed pursuant to paragraph (c). The apportionment formula prescribed in subdivision  
24.25 2 is the basis for the distribution.

24.26 (c) 1.0 cent per taxable ton of the tax distributed to the counties under paragraph (b)  
24.27 shall be paid to a county that received a distribution under this section in 2000 because there  
24.28 was located in the county an electric power plant owned by and providing the primary source  
24.29 of power for a taxpayer mining and concentrating taconite in a different county.

24.30 (d) 10.525 cents per taxable ton for distributions in 2015 through 2023, ~~and 15.525 cents~~  
24.31 ~~per taxable ton for distributions beginning in 2024,~~ shall be paid to the county from which  
24.32 the taconite was mined, quarried or concentrated to be deposited in the county road and



bridge fund. If the mining, quarrying and concentrating, or separate steps in any of those processes are carried on in more than one county, the commissioner shall follow the apportionment formula prescribed in subdivision 2.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 8. Minnesota Statutes 2022, section 298.28, subdivision 7a, is amended to read:

Subd. 7a. **Iron Range school consolidation and cooperatively operated school account.** (a) The following amounts must be allocated to the commissioner of Iron Range resources and rehabilitation to be deposited in the Iron Range school consolidation and cooperatively operated school account that is hereby created:

(1)(i) for distributions beginning in 2015 ~~through 2023~~, ten cents per taxable ton of the tax imposed under section 298.24; ~~and~~

~~(ii) for distributions beginning in 2024, five cents per taxable ton of the tax imposed under section 298.24;~~

(2) the amount as determined under section 298.17, paragraph (b), clause (3); and

(3) any other amount as provided by law.

(b) Expenditures from this account may be approved as ongoing annual expenditures and shall be made only to provide disbursements to assist school districts with the payment of bonds that were issued for qualified school projects, or for any other school disbursement as approved by the commissioner of Iron Range resources and rehabilitation after consultation with the Iron Range Resources and Rehabilitation Board. For purposes of this section, "qualified school projects" means school projects within the taconite assistance area as defined in section 273.1341, that were (1) approved, by referendum, after April 3, 2006; and (2) approved by the commissioner of education pursuant to section 123B.71.

(c) Beginning in fiscal year 2019, the disbursement to school districts for payments for bonds issued under section 123A.482, subdivision 9, must be increased each year to offset any reduction in debt service equalization aid that the school district qualifies for in that year, under section 123B.53, subdivision 6, compared with the amount the school district qualified for in fiscal year 2018.

(d) No expenditure under this section shall be made unless approved by the commissioner of Iron Range resources and rehabilitation after consultation with the Iron Range Resources and Rehabilitation Board.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 9. Minnesota Statutes 2022, section 298.296, subdivision 4, is amended to read:

Subd. 4. **Temporary loan authority.** (a) After consultation with the advisory board, the commissioner may use up to \$7,500,000 from the corpus of the trust for loans, loan guarantees, grants, or equity investments as provided in this subdivision. The money would be available for loans for construction and equipping of facilities constituting (1) a value added iron products plant, which may be either a new plant or a facility incorporated into an existing plant that produces iron upgraded to a minimum of 75 percent iron content or any iron alloy with a total minimum metallic content of 90 percent; or (2) a new mine or minerals processing plant for any mineral subject to the ~~net~~ gross proceeds tax imposed under section 298.015. A loan or loan guarantee under this paragraph may not exceed \$5,000,000 for any facility.

(b) Additionally, the commissioner, after consultation with the advisory board, may use up to \$5,500,000 from the corpus of the trust for additional grants, loans, loan guarantees, or equity investments for the purposes set forth in paragraph (a).

(c) The commissioner, after consultation with the advisory board, may require that the fund receive an equity percentage in any project to which it contributes under this section.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 10. **TRANSFER 2023 DISTRIBUTION ONLY.**

The fund established under Minnesota Statutes, section 298.28, subdivision 7, shall receive the excess balance remaining in the fund established under Minnesota Statutes, section 298.28, subdivision 6, after the distribution of amounts required under Minnesota Statutes, section 298.28, subdivision 6, for the 2023 distribution. The transfer amount under this section must not exceed \$6,000,000 and must be made within ten days of the August 2023 payment.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies only to the 2023 distribution.

27.1

27.2

ARTICLE 3

PROPERTY TAX AIDS, CREDITS, AND REFUNDS

27.3

Section 1. Minnesota Statutes 2022, section 273.1392, is amended to read:

27.4

273.1392 PAYMENT; SCHOOL DISTRICTS.

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The amounts of bovine tuberculosis credit reimbursements under section 273.113; conservation tax credits under section 273.119; disaster or emergency reimbursement under sections 273.1231 to 273.1235; agricultural credits under sections 273.1384 and 273.1387; aids and credits under section 273.1398; enterprise zone property credit payments under section 469.171; ~~and metropolitan agricultural preserve reduction under section 473H.10;~~ and electric generation transition aid under section 477A.25 for school districts, shall be certified to the Department of Education by the Department of Revenue. The amounts so certified shall be paid according to section 127A.45, subdivisions 9, 10, and 13.

27.13

EFFECTIVE DATE. This section is effective July 1, 2024.

27.14

Sec. 2. Minnesota Statutes 2022, section 290A.04, subdivision 2, is amended to read:

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Subd. 2. **Homeowners; homestead credit refund.** A claimant whose property taxes payable are in excess of the percentage of the household income stated below shall pay an amount equal to the percent of income shown for the appropriate household income level along with the percent to be paid by the claimant of the remaining amount of property taxes payable. The state refund equals the amount of property taxes payable that remain, up to the state refund amount shown below.

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Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
<del>\$0 to 1,739</del>		<del>15 percent</del>	<del>2,770</del>
<u>\$0 to 2,079</u>	1.0 percent	<u>10 percent</u>	\$ <u>3,310</u>
<del>1,740 to 3,459</del>		<del>15 percent</del>	<del>2,770</del>
<u>2,080 to 4,139</u>	1.1 percent	<u>10 percent</u>	\$ <u>3,310</u>
<del>3,460 to 5,239</del>		<del>15 percent</del>	<del>2,770</del>
<u>4,140 to 6,269</u>	1.2 percent	<u>10 percent</u>	\$ <u>3,310</u>
<del>5,240 to 6,989</del>		<del>20 percent</del>	<del>2,770</del>
<u>6,270 to 8,369</u>	1.3 percent	<u>15 percent</u>	\$ <u>3,310</u>
<del>6,990 to 8,719</del>		<del>20 percent</del>	<del>2,770</del>
<u>8,370 to 10,439</u>	1.4 percent	<u>15 percent</u>	\$ <u>3,310</u>
<del>8,720 to 12,219</del>		<del>20 percent</del>	<del>2,770</del>
<u>10,440 to 14,619</u>	1.5 percent	<u>15 percent</u>	\$ <u>3,310</u>
<del>12,220 to 13,949</del>		<del>20 percent</del>	<del>2,770</del>
<u>14,620 to 16,689</u>	1.6 percent	<u>15 percent</u>	\$ <u>3,310</u>

28.1	<del>13,950 to 15,709</del>		<del>20 percent</del>	<del>2,770</del>
28.2	<u>16,690 to 18,799</u>	1.7 percent	<u>15 percent</u>	\$ <u>3,310</u>
28.3	<del>15,710 to 17,449</del>		<del>20 percent</del>	<del>2,770</del>
28.4	<u>18,800 to 20,879</u>	1.8 percent	<u>15 percent</u>	\$ <u>3,310</u>
28.5	<del>17,450 to 19,179</del>		<del>25 percent</del>	<del>2,770</del>
28.6	<u>20,880 to 22,949</u>	1.9 percent	<u>20 percent</u>	\$ <u>3,310</u>
28.7	<del>19,180 to 24,429</del>		<del>25 percent</del>	<del>2,770</del>
28.8	<u>22,950 to 29,239</u>	2.0 percent	<u>20 percent</u>	\$ <u>3,310</u>
28.9	<del>24,430 to 26,169</del>		<del>30 percent</del>	<del>2,770</del>
28.10	<u>29,240 to 31,319</u>	2.0 percent	<u>25 percent</u>	\$ <u>3,310</u>
28.11	<del>26,170 to 29,669</del>		<del>30 percent</del>	<del>2,770</del>
28.12	<u>31,320 to 35,509</u>	2.0 percent	<u>25 percent</u>	\$ <u>3,310</u>
28.13	<del>29,670 to 41,859</del>		<del>35 percent</del>	<del>2,770</del>
28.14	<u>35,510 to 50,099</u>	2.0 percent	<u>30 percent</u>	\$ <u>3,310</u>
28.15	<del>41,860 to 61,049</del>		<del>35 percent</del>	<del>2,240</del>
28.16	<u>50,100 to 73,059</u>	2.0 percent	<u>30 percent</u>	\$ <u>2,680</u>
28.17	<del>61,050 to 69,769</del>		<del>40 percent</del>	<del>1,960</del>
28.18	<u>73,060 to 83,499</u>	2.0 percent	<u>35 percent</u>	\$ <u>2,350</u>
28.19	<del>69,770 to 78,499</del>		<del>40 percent</del>	<del>1,620</del>
28.20	<u>83,500 to 93,939</u>	2.1 percent	<u>35 percent</u>	\$ <u>1,940</u>
28.21	<del>78,500 to 87,219</del>		<del>40 percent</del>	<del>1,450</del>
28.22	<u>93,940 to 104,379</u>	2.2 percent	<u>35 percent</u>	\$ <u>1,740</u>
28.23	<del>87,220 to 95,939</del>		<del>40 percent</del>	<del>1,270</del>
28.24	<u>104,380 to 114,819</u>	2.3 percent	<u>35 percent</u>	\$ <u>1,520</u>
28.25	<del>95,940 to 101,179</del>		<del>45 percent</del>	<del>1,070</del>
28.26	<u>114,820 to 121,089</u>	2.4 percent	<u>40 percent</u>	\$ <u>1,280</u>
28.27	<del>101,180 to 104,689</del>		<del>45 percent</del>	<del>890</del>
28.28	<u>121,090 to 125,289</u>	2.5 percent	<u>40 percent</u>	\$ <u>1,070</u>
28.29	<del>104,690 to 108,919</del>		<del>50 percent</del>	<del>730</del>
28.30	<u>125,290 to 130,349</u>	2.5 percent	<u>45 percent</u>	\$ <u>870</u>
28.31	<del>108,920 to 113,149</del>		<del>50 percent</del>	<del>540</del>
28.32	<u>130,350 to 135,409</u>	2.5 percent	<u>45 percent</u>	\$ <u>650</u>

28.33 The payment made to a claimant shall be the amount of the state refund calculated under  
 28.34 this subdivision. No payment is allowed if the claimant's household income is ~~\$113,150~~  
 28.35 \$135,410 or more.

28.36 **EFFECTIVE DATE.** This section is effective for claims based on property taxes payable  
 28.37 in 2024 and following years.

28.38 Sec. 3. Minnesota Statutes 2022, section 290A.04, subdivision 4, is amended to read:

28.39 Subd. 4. **Inflation adjustment.** The commissioner shall annually adjust the dollar  
 28.40 amounts of the income thresholds and the maximum refunds under subdivisions 2 and 2a

29.1 as provided in section 270C.22. The statutory year for subdivision 2 is 2023. The statutory  
29.2 year for subdivision 2a is 2018.

29.3 **EFFECTIVE DATE.** This section is effective for claims based on property taxes payable  
29.4 in 2025 and thereafter.

29.5 Sec. 4. Minnesota Statutes 2022, section 477A.011, is amended by adding a subdivision  
29.6 to read:

29.7 **Subd. 3b. Population age 65 and over.** "Population age 65 and over" means the  
29.8 population age 65 and over established as of July 15 in an aid calculation year by the most  
29.9 recent federal census, by a special census conducted under contract with the United States  
29.10 Bureau of the Census, by a population estimate made by the Metropolitan Council, or by a  
29.11 population estimate of the state demographer made pursuant to section 4A.02, whichever  
29.12 is the most recent as to the stated date of the count or estimate for the preceding calendar  
29.13 year and which has been certified to the commissioner of revenue on or before July 15 of  
29.14 the aid calculation year. A revision to an estimate or count is effective for these purposes  
29.15 only if certified to the commissioner on or before July 15 of the aid calculation year. Clerical  
29.16 errors in the certification or use of estimates and counts established as of July 15 in the aid  
29.17 calculation year are subject to correction within the time periods allowed under section  
29.18 477A.014.

29.19 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
29.20 and thereafter.

29.21 Sec. 5. Minnesota Statutes 2022, section 477A.011, is amended by adding a subdivision  
29.22 to read:

29.23 **Subd. 3c. Transformed population.** "Transformed population" means the logarithm to  
29.24 the base 10 of the population.

29.25 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
29.26 and thereafter.

29.27 Sec. 6. Minnesota Statutes 2022, section 477A.011, subdivision 34, is amended to read:

29.28 **Subd. 34. City revenue need.** (a) For a city with a population equal to or greater than  
29.29 10,000, "city revenue need" is 1.15 times the sum of (1) ~~4.59~~ 8.572 times the pre-1940  
29.30 housing percentage; plus (2) ~~0.622 times the percent of housing built between 1940 and~~  
29.31 ~~1970~~ 11.494 times the city age index; plus (3) ~~169.415 times the jobs per capita~~ 5.719 times

30.1 the commercial industrial utility percentage; plus (4) ~~the sparsity adjustment~~ 9.484 times  
30.2 peak population decline; plus (5) ~~307.664~~ 293.056.

30.3 (b) For a city with a population equal to or greater than 2,500 and less than 10,000, "city  
30.4 revenue need" is 1.15 times the sum of (1) ~~572.62~~ 497.308; plus (2) ~~5.026~~ 6.667 times the  
30.5 pre-1940 housing percentage; ~~minus~~ plus (3) ~~53.768 times household size~~ 9.215 times the  
30.6 commercial industrial utility percentage; plus (4) ~~14.022~~ 16.081 times peak population  
30.7 decline; ~~plus (5) the sparsity adjustment.~~

30.8 (c) For a city with a population less than 2,500, "city revenue need" is the sum of (1)  
30.9 ~~410~~ 196.487; plus (2) ~~0.367~~ 220.877 times the city's transformed population ~~over 100~~; ~~plus~~  
30.10 ~~(3) the sparsity adjustment. The city revenue need for a city under this paragraph shall not~~  
30.11 ~~exceed 630 plus the city's sparsity adjustment.~~

30.12 (d) For a city with a population of at least 2,500 but less than 3,000, the "city revenue  
30.13 need" equals (1) the transition factor times the city's revenue need calculated in paragraph  
30.14 (b); plus (2) ~~630~~ the city's revenue need calculated under the formula in paragraph (c) times  
30.15 the difference between one and the transition factor. For a city with a population of at least  
30.16 10,000 but less than 11,000, the "city revenue need" equals (1) the transition factor times  
30.17 the city's revenue need calculated in paragraph (a); plus (2) the city's revenue need calculated  
30.18 under the formula in paragraph (b) times the difference between one and the transition  
30.19 factor. For purposes of the first sentence of this paragraph "transition factor" is 0.2 percent  
30.20 times the amount that the city's population exceeds the minimum threshold. For purposes  
30.21 of the second sentence of this paragraph, "transition factor" is 0.1 percent times the amount  
30.22 that the city's population exceeds the minimum threshold.

30.23 (e) The city revenue need cannot be less than zero.

30.24 (f) For calendar year ~~2015~~ 2024 and subsequent years, the city revenue need for a city,  
30.25 as determined in paragraphs (a) to (e), is multiplied by the ratio of the annual implicit price  
30.26 deflator for government consumption expenditures and gross investment for state and local  
30.27 governments as prepared by the United States Department of Commerce, for the most  
30.28 recently available year to the ~~2013~~ 2022 implicit price deflator for state and local government  
30.29 purchases.

30.30 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
30.31 and thereafter.

31.1 Sec. 7. Minnesota Statutes 2022, section 477A.011, is amended by adding a subdivision  
31.2 to read:

31.3 Subd. 46. **City age index.** "City age index" means 100 times the ratio of (1) the population  
31.4 age 65 and over within the city, to (2) the population of the city.

31.5 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
31.6 and thereafter.

31.7 Sec. 8. Minnesota Statutes 2022, section 477A.011, is amended by adding a subdivision  
31.8 to read:

31.9 Subd. 47. **Commercial industrial utility percentage.** The "commercial industrial utility  
31.10 percentage" for a city is 100 times the ratio of (1) the sum of the estimated market values  
31.11 of all real and personal property in the city classified as class 3 under section 273.13,  
31.12 subdivision 24, to (2) the total market value of all taxable real and personal property in the  
31.13 city. The market values are the amounts computed before any adjustments for fiscal  
31.14 disparities under section 276A.06 or 473F.08. The market values used for this subdivision  
31.15 are not equalized.

31.16 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
31.17 and thereafter.

31.18 Sec. 9. Minnesota Statutes 2022, section 477A.0124, subdivision 2, is amended to read:

31.19 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the  
31.20 meanings given them.

31.21 (b) "County program aid" means the sum of "county need aid," "county tax base  
31.22 equalization aid," and "county transition aid."

31.23 (c) "Age-adjusted population" means a county's population multiplied by the county age  
31.24 index.

31.25 (d) "County age index" means the percentage of the population age 65 and over within  
31.26 the county divided by the percentage of the population age 65 and over within the state,  
31.27 except that the age index for any county may not be greater than 1.8 nor less than 0.8.

31.28 (e) "Population age 65 and over" ~~means the population age 65 and over established as~~  
31.29 ~~of July 15 in an aid calculation year by the most recent federal census, by a special census~~  
31.30 ~~conducted under contract with the United States Bureau of the Census, by a population~~  
31.31 ~~estimate made by the Metropolitan Council, or by a population estimate of the state~~

demographer made pursuant to section 4A.02, whichever is the most recent as to the stated date of the count or estimate for the preceding calendar year and which has been certified to the commissioner of revenue on or before July 15 of the aid calculation year. A revision to an estimate or count is effective for these purposes only if certified to the commissioner on or before July 15 of the aid calculation year. Clerical errors in the certification or use of estimates and counts established as of July 15 in the aid calculation year are subject to correction within the time periods allowed under section 477A.014 has the meaning given in section 477A.011, subdivision 3b.

(f) "Part I crimes" means the three-year average annual number of Part I crimes reported for each county by the Department of Public Safety for the most recent years available. By July 1 of each year, the commissioner of public safety shall certify to the commissioner of revenue the number of Part I crimes reported for each county for the three most recent calendar years available.

(g) "Households receiving Supplemental Nutrition Assistance Program (SNAP) benefits" means the average monthly number of households receiving SNAP benefits for the three most recent years for which data is available. By July 1 of each year, the commissioner of human services must certify to the commissioner of revenue the average monthly number of households in the state and in each county that receive SNAP benefits, for the three most recent calendar years available.

(h) "County net tax capacity" means the county's adjusted net tax capacity under section 273.1325.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024 and thereafter.

Sec. 10. Minnesota Statutes 2022, section 477A.013, subdivision 8, is amended to read:

Subd. 8. **City formula aid.** (a) For aids payable in ~~2018~~ 2024 and thereafter, the formula aid for a city is equal to the product of (1) the difference between its unmet need and its certified aid in the previous year ~~and before any aid adjustment under subdivision 13~~, and (2) the aid gap percentage.

(b) The applicable aid gap percentage must be calculated by the Department of Revenue so that the total of the aid under subdivision 9 equals the total amount available for aid under section 477A.03. The aid gap percentage must be the same for all cities subject to paragraph (a). Data used in calculating aids to cities under sections 477A.011 to 477A.013 shall be the most recently available data as of January 1 in the year in which the aid is calculated.



33.1 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
33.2 and thereafter.

33.3 Sec. 11. Minnesota Statutes 2022, section 477A.013, subdivision 9, is amended to read:

33.4 Subd. 9. **City aid distribution.** (a) In calendar year ~~2018~~ 2024 and thereafter, if a city's  
33.5 certified aid ~~before any aid adjustment under subdivision 13~~ for the previous year is less  
33.6 than its current unmet need, the city shall receive an aid distribution equal to the sum of (1)  
33.7 its certified aid in the previous year ~~before any aid adjustment under subdivision 13, and~~  
33.8 (2) the city formula aid under subdivision 8, ~~and (3) its aid adjustment under subdivision~~  
33.9 ~~13.~~

33.10 (b) ~~For aids payable in 2020 only, no city's aid amount before any adjustment under~~  
33.11 ~~subdivision 13 may be less than its pay 2019 certified aid amount, less any aid adjustment~~  
33.12 ~~under subdivision 13 for that year.~~ For aids payable in ~~2020~~ 2024 and thereafter, if a city's  
33.13 certified aid ~~before any aid adjustment under subdivision 13~~ for the previous year is equal  
33.14 to or greater than its current unmet need, the total aid for a city is equal to the greater of (1)  
33.15 its unmet need ~~plus any aid adjustment under subdivision 13~~, or (2) the amount it was  
33.16 certified to receive in the previous year minus the sum of (i) ~~any adjustment under subdivision~~  
33.17 ~~13 that was paid in the previous year but has expired, and (ii) the lesser of (i) \$10 multiplied~~  
33.18 by its population, or (ii) five percent of its net levy in the year prior to the aid distribution.  
33.19 No city may have a total aid amount less than \$0.

33.20 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
33.21 and thereafter.

33.22 Sec. 12. Minnesota Statutes 2022, section 477A.03, subdivision 2a, is amended to read:

33.23 Subd. 2a. **Cities.** ~~For aids payable in 2016 and 2017, the total aid paid under section~~  
33.24 ~~477A.013, subdivision 9, is \$519,398,012. For aids payable in 2018 and 2019, the total aid~~  
33.25 ~~paid under section 477A.013, subdivision 9, is \$534,398,012. For aids payable in 2020, the~~  
33.26 ~~total aid paid under section 477A.013, subdivision 9, is \$560,398,012. For aids payable in~~  
33.27 ~~2021 and thereafter through 2023, the total aid payable under section 477A.013, subdivision~~  
33.28 ~~9, is \$564,398,012. For aids payable in 2024 and thereafter, the total aid payable under~~  
33.29 ~~section 477A.013, subdivision 9, is \$664,398,012, multiplied by the inflation adjustment~~  
33.30 under subdivision 6.

33.31 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
33.32 and thereafter.

Sec. 13. Minnesota Statutes 2022, section 477A.03, subdivision 2b, is amended to read:

Subd. 2b. **Counties.** (a) ~~For aids payable in 2018 and 2019, the total aid payable under section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2020, the total aid payable under section 477A.0124, subdivision 3, is \$116,795,000, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2021 through 2024~~ 2023, the total aid payable under section 477A.0124, subdivision 3, is \$118,795,000, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2024, the total aid payable under section 477A.0124, subdivision 3, is \$163,679,459, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2025 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is ~~\$115,795,000~~ \$160,679,459, multiplied by the inflation adjustment under subdivision 6. On or before the first installment date provided in section 477A.015, paragraph (a), \$500,000 of this appropriation shall be transferred each year by the commissioner of revenue to the Board of Public Defense for the payment of services under section 611.27. Any transferred amounts not expended or encumbered in a fiscal year shall be certified by the Board of Public Defense to the commissioner of revenue on or before October 1 and shall be included in the next certification of county need aid.

(b) ~~For aids payable in 2018 and 2019, the total aid under section 477A.0124, subdivision 4, is \$130,873,444. For aids payable in 2020, the total aid under section 477A.0124, subdivision 4, is \$143,873,444. For aids payable in 2021 and thereafter~~ through 2023, the total aid under section 477A.0124, subdivision 4, is \$145,873,444. For aids payable in 2024 and thereafter, the total aid under section 477A.0124, subdivision 4, is \$200,988,985, multiplied by the inflation adjustment under subdivision 6. The commissioner of revenue shall transfer to the Legislative Budget Office \$207,000 annually for the cost of preparation of local impact notes as required by section 3.987, and other local government activities. The commissioner of revenue shall transfer to the commissioner of education \$7,000 annually for the cost of preparation of local impact notes for school districts as required by section 3.987. The commissioner of revenue shall deduct the amounts transferred under this paragraph from the appropriation under this paragraph. The amounts transferred are appropriated to the Legislative Coordinating Commission and the commissioner of education respectively.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024 and thereafter.

Sec. 14. Minnesota Statutes 2022, section 477A.03, is amended by adding a subdivision to read:

Subd. 6. **Inflation adjustment.** In 2025 and thereafter, the amounts paid under subdivisions 2a and 2b must be increased by an amount equal to one plus the sum of (1) the percentage increase in the implicit price deflator for government expenditures and gross investment for state and local government purchases as prepared by the United States Department of Commerce for the 12-month period ending March 31 of the previous calendar year, and (2) the percentage increase in total city population for the most recently available years as of January 15 of the current year. The percentage increase in this subdivision must not be less than 2.5 percent or greater than five percent.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024 and thereafter.

Sec. 15. Minnesota Statutes 2022, section 477A.12, subdivision 1, is amended to read:

**Subdivision 1. Types of land; payments.** The following amounts are annually appropriated to the commissioner of natural resources from the general fund for transfer to the commissioner of revenue. The commissioner of revenue shall pay the transferred funds to counties as required by sections 477A.11 to 477A.14. The amounts, based on the acreage as of July 1 of each year prior to the payment year, are:

(1) \$5.133 multiplied by the total number of acres of acquired natural resources land or, at the county's option three-fourths of one percent of the appraised value of all acquired natural resources land in the county, whichever is greater;

(2) \$5.133, multiplied by the total number of acres of transportation wetland or, at the county's option, three-fourths of one percent of the appraised value of all transportation wetland in the county, whichever is greater;

(3) \$5.133, multiplied by the total number of acres of wildlife management land, or, at the county's option, three-fourths of one percent of the appraised value of all wildlife management land in the county, whichever is greater;

(4) 50 percent of the dollar amount as determined under clause (1), multiplied by the number of acres of military refuge land in the county;

(5) ~~\$2~~ \$3, multiplied by the number of acres of county-administered other natural resources land in the county;

(6) \$5.133, multiplied by the total number of acres of land utilization project land in the county;

(7) ~~\$2~~ \$3, multiplied by the number of acres of commissioner-administered other natural resources land in the county; ~~and~~

(8) \$0.18, multiplied by the total number of acres in the county eligible for payment under clauses (1) to (7), provided that the total number of acres in the county eligible for payment under clauses (1) to (7) is equal to or greater than 25 percent of the total acreage in the county;

(9) \$0.08, multiplied by the total number of acres in the county eligible for payment under clauses (1) to (7), provided that the total number of acres in the county eligible for payment under clauses (1) to (7) is equal to or greater than ten percent, but less than 25 percent of the total acreage in the county; and

(10) without regard to acreage, and notwithstanding the rules adopted under section 84A.55, \$300,000 for local assessments under section 84A.55, subdivision 9, that shall be divided and distributed to the counties containing state-owned lands within a conservation area in proportion to each county's percentage of the total annual ditch assessments.

**EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

Sec. 16. Minnesota Statutes 2022, section 477A.12, subdivision 3, is amended to read:

Subd. 3. **Determination of appraised value.** For the purposes of this section, the appraised value of acquired natural resources land is the purchase price until the next six-year appraisal required under this subdivision. The appraised value of acquired natural resources land received as a donation is the value determined for the commissioner of natural resources by a licensed appraiser, or the county assessor's estimated market value if no appraisal is done. The appraised value must be determined by the county assessor every six years, except that the appraised value shall not be less than the most recent appraised value. All reappraisals shall be done in the same year as county assessors are required to assess exempt land under section 273.18.

**EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

Sec. 17. Minnesota Statutes 2022, section 477A.12, is amended by adding a subdivision to read:

Subd. 4. **Adjustment.** The commissioner shall annually adjust the amounts in subdivision 1, clauses (1) to (10), as provided in section 270C.22, subdivision 1, except as provided in

this subdivision. To determine the dollar amounts for payments in calendar year 2025, the commissioner shall determine the percentage change in the index for the 12-month period ending on August 31, 2024, and increase each of the unrounded dollar amounts in section 477A.12, subdivision 1, by that percentage change. For each subsequent year, the commissioner shall increase the dollar amounts by the percentage change in the index from August 31 of the year preceding the statutory year, to August 31 of the year preceding the taxable year. The commissioner shall round the amounts as adjusted to the nearest tenth of a cent.

**EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

**Sec. 18. [477A.23] SOIL AND WATER CONSERVATION DISTRICT AID.**

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "adjusted population" means the cube root of the district's population, according to the most recent federal decennial census;

(2) "nonpublic lands" means "real property" as defined by section 272.03 that is not owned by the federal government, the state, or a local government unit; and

(3) "soil and water conservation district" means a district created by chapter 103C, and that is implementing the duties under that chapter as determined by the Board of Water and Soil Resources as of the board's certification to the commissioner of revenue required by subdivision 4.

Subd. 2. **Purpose.** The purpose of this section is to provide ongoing financial support to soil and water conservation districts to aid in the execution of chapter 103C and other duties and services prescribed by statute.

Subd. 3. **Distribution.** The Board of Water and Soil Resources must calculate the amount of aid to be distributed to the certified soil and water conservation districts from the appropriation in subdivision 7 as follows:

(1) 70 percent of the appropriation must be distributed equally among the districts;

(2) 20 percent of the appropriation must be distributed proportionally among the districts according to the amount of nonpublic land located in a district as compared to the amount of nonpublic land in the state; and

(3) ten percent of the appropriation must be distributed proportionally among the districts based on the adjusted population of each district, divided by the sum of the adjusted population for all districts.

Subd. 4. **Certification to commissioner.** On or before June 1 each year, the Board of Water and Soil Resources must certify to the commissioner of revenue the soil and water conservation districts that will receive a payment under this section and the amount of each payment.

Subd. 5. **Use of proceeds.** (a) Notwithstanding section 103C.401, subdivision 2, a soil and water conservation district that receives a distribution under this section must use the proceeds to implement chapter 103C and other duties and services as prescribed by statute.

(b) The board of each soil and water conservation district must establish, by resolution, annual guidelines for using payments received under this section. Current year guidelines and guidelines from the year immediately prior must be posted on the district's website.

(c) A soil and water conservation district that receives a payment under this section may use the proceeds directly or may appropriate any portion of the payment to a governmental unit with which the district has a cooperative agreement under section 103C.231. Any payment received under this section and appropriated by the district must be used as required under this subdivision.

Subd. 6. **Payments.** The commissioner of revenue must distribute soil and water conservation district aid in the same manner and at the same times as aid payments provided under section 477A.015.

Subd. 7. **Appropriation.** \$16,000,000 is annually appropriated from the general fund to the commissioner of revenue to make the payments required under this section.

Subd. 8. **Aid amount corrections.** If there is a clerical error made in calculating an aid payment under this section, the Board of Water and Soil Resources shall recertify the correct amounts to the commissioner of revenue and communicate the error and the corrected amount to the affected soil and water conservation district as soon as practical after the error is discovered.

**EFFECTIVE DATE.** This section is effective beginning with aids payable in 2023 and thereafter.

39.1       Sec. 19. **[477A.25] ELECTRIC GENERATION TRANSITION AID.**

39.2           Subdivision 1. Definitions. (a) For purposes of this section, the following terms have  
39.3 the meanings given.

39.4           (b) "Electric generating unit" means a single generating unit at an electric generating  
39.5 plant powered by coal, nuclear, or natural gas.

39.6           (c) "Electric generation property" means taxable property of an electric generating plant  
39.7 owned by a public utility, as defined in section 216B.02, subdivision 4, that is powered by  
39.8 coal, nuclear, or natural gas and located in an eligible taxing jurisdiction.

39.9           (d) "Eligible taxing jurisdiction" means a county, home rule charter or statutory city,  
39.10 town, or school district.

39.11           (e) "Unit base year" means the assessment year in which the assessed value of electric  
39.12 generation property is reduced due to the retirement of the electric generating unit.

39.13           (f) "Unit differential" means (1) the tax capacity of electric generation property in the  
39.14 assessment year preceding the unit base year, minus (2) the tax capacity of electric generation  
39.15 property in the unit base year. The unit differential may not be less than zero. The unit  
39.16 differential equals zero if the tax capacity of electric generation property in the eligible  
39.17 taxing jurisdiction in the assessment year preceding the unit base year is less than four  
39.18 percent of the total net tax capacity of the eligible taxing jurisdiction in the assessment year  
39.19 preceding the aid calculation year, as adjusted under section 473F.08, subdivision 2, or  
39.20 276A.06, subdivision 2, as applicable, except that, in an eligible taxing jurisdiction with  
39.21 multiple electric generating units, only the unit differential calculated upon the first retirement  
39.22 of an electric generating unit in that jurisdiction following the effective date of this section  
39.23 is subject to the reduction under this sentence.

39.24           Subd. 2. Required notification. Notwithstanding the requirements of Minnesota Rules,  
39.25 chapter 8100, a public utility must notify the commissioner when the public utility expects  
39.26 to retire an electric generating unit and remove that unit from the property tax base. The  
39.27 notification must be in the form and manner determined by the commissioner, include  
39.28 information required by the commissioner to calculate transition aid under this section, and  
39.29 be filed together with the reports required under section 273.371.

39.30           Subd. 3. Unit transition amount. (a) The initial unit transition amount equals the product  
39.31 of (1) the unit differential, times (2) the jurisdiction's tax rate for taxes payable in the unit  
39.32 base year.

(b) The unit transition amount for the year following the unit base year, or in the year as provided under subdivision 6, equals the initial unit transition amount. Unit transition amounts in subsequent years must be reduced each year by an amount equal to five percent of the initial unit transition amount. If the unit transition amount attributable to any unit is less than \$5,000 in any year, the unit transition amount for that unit equals zero.

Subd. 4. **Electric generation transition aid.** Electric generation transition aid for an eligible taxing jurisdiction equals the sum of the unit transition amounts for that jurisdiction.

Subd. 5. **Aid elimination.** (a) Notwithstanding subdivision 4, beginning for aid in the year after the year in which the jurisdiction first qualified for aid, aid for an eligible taxing jurisdiction equals zero if the commissioner determines that the eligible taxing jurisdiction's total net tax capacity in the assessment year preceding the aid calculation year is greater than the product of:

(1) 90 percent of the jurisdiction's total net tax capacity in the assessment year preceding the aid calculation year in which the jurisdiction first qualified for aid under this section; times

(2) the greater of one or the ratio of (i) the statewide total net tax capacity of real and personal property in the assessment year preceding the aid calculation year to (ii) the statewide total net tax capacity of real and personal property in the assessment year preceding the aid calculation year in which the jurisdiction first qualified for aid under this section.

(b) For the purposes of this subdivision, "net tax capacity" means net tax capacity as adjusted under section 473F.08, subdivision 2, or 276A.06, subdivision 2, as applicable.

(c) If aid to a jurisdiction attributable to a previous unit retirement has been eliminated under this subdivision, the jurisdiction may qualify for aid under this section for subsequent unit retirements.

(d) The requirements of this subdivision do not apply to the aid attributable to prior unit retirements qualifying under subdivision 7.

Subd. 6. **Commissioner's duties; payment schedule.** (a) The commissioner of revenue shall compute the amount of electric generation transition aid payable to each jurisdiction under this section. On or before August 1 of each year, the commissioner shall certify the amount of aid computed for aids payable in the following year for each jurisdiction. The commissioner shall pay aid to each jurisdiction other than school districts annually at the times provided in section 477A.015. Aids to school districts must be certified to the commissioner of education and paid under section 273.1392.



(b) The commissioner of revenue may require counties to provide any data that the commissioner deems necessary to administer this section.

Subd. 7. **Aid for prior unit retirements.** An electric generating unit with a unit base year after 2016 but before 2023 must be counted for the purpose of calculating aid under this section. For a unit eligible to be counted under this subdivision and for the purpose of the schedule of amounts under subdivision 3, paragraph (b), the unit base year is 2023.

Subd. 8. **Appropriation.** An amount sufficient to make the aid payments required by this section to eligible taxing jurisdictions other than school districts is annually appropriated from the general fund to the commissioner of revenue. An amount sufficient to make the aid payments required by this section for school districts is annually appropriated from the general fund to the commissioner of education.

**EFFECTIVE DATE.** This section is effective for aids payable in 2024 and thereafter.

Sec. 20. **[477A.31] MAHNOMEN PROPERTY TAX REIMBURSEMENT AID.**

Subdivision 1. **Aid appropriation.** (a) The commissioner of revenue shall make reimbursement aid payments to compensate for the loss of property tax revenue related to the trust conversion application of the Shooting Star Casino. The commissioner shall pay the county of Mahnomen, \$900,000; the city of Mahnomen, \$320,000; and Independent School District No. 432, Mahnomen, \$140,000.

(b) The payments shall be made annually on July 20.

Subd. 2. **Appropriation.** An amount sufficient to pay reimbursement aid under this section is annually appropriated from the general fund to the commissioner of revenue.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024 and thereafter.

Sec. 21. Laws 2006, chapter 259, article 11, section 3, as amended by Laws 2008, chapter 154, article 1, section 4, and Laws 2013, chapter 143, article 2, section 33, is amended to read:

Sec. 3. **MAHNOMEN COUNTY; COUNTY, CITY, SCHOOL DISTRICT, PROPERTY TAX REIMBURSEMENT.**

Subdivision 1. **Aid appropriation.** (a) \$1,200,000 is appropriated annually from the general fund to the commissioner of revenue to be used to make payments to compensate for the loss of property tax revenue related to the trust conversion application of the Shooting

Star Casino. The commissioner shall pay the county of Mahnomen, \$900,000; the city of Mahnomen, \$160,000; and Independent School District No. 432, Mahnomen, \$140,000. The payments shall be made on July 20, of 2013 and each subsequent year.

(b) This section expires after aids payable year 2023.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024 and thereafter.

Sec. 22. **STUDY OF STATE-OWNED LAKESHORE.**

No later than January 31, 2024, the commissioner of revenue, in consultation with the Department of Natural Resources and counties, must produce a report on valuation methods used to value the acreage and shoreline areas within all commissioner-administered and county-administered other natural resources land, as defined in Minnesota Statutes, section 477A.11, subdivision 4. The report must comply with the requirements of Minnesota Statutes, sections 3.195 and 3.197. The report must include, by county, the most recent assessed value and acreage, and the assessed value and acreage for the two most recent assessments, as required under Minnesota Statutes, section 273.18, paragraph (b), aggregated by parcels containing shoreline and by parcels not containing shoreline area. Counties must report to the commissioner of revenue any necessary data by September 30, 2023. The commissioner must provide a copy of the report to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes and property taxation by January 31, 2024.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 23. **2021 AID PENALTY FORGIVENESS; CITY OF ECHO.**

Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Echo must receive its aid payment for calendar year 2021 under Minnesota Statutes, section 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3, and its small city assistance payment for calendar year 2021 under Minnesota Statutes, section 162.145, that was withheld under Minnesota Statutes, section 162.145, subdivision 3, paragraph (c), provided that the state auditor certifies to the commissioner of revenue that it received the annual financial reporting form for 2020 from the city by June 1, 2023. The commissioner of revenue must make a payment of \$46,060 to the city by June 30, 2023.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

43.1 Sec. 24. **2021 AID PENALTY FORGIVENESS; CITY OF MORTON.**

43.2 Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Morton  
43.3 must receive its aid payment for calendar year 2021 under Minnesota Statutes, section  
43.4 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3,  
43.5 and its small city assistance payment for calendar year 2021 under Minnesota Statutes,  
43.6 section 162.145, that was withheld under Minnesota Statutes, section 162.145, subdivision  
43.7 3, paragraph (c), provided that the state auditor certifies to the commissioner of revenue  
43.8 that it received the annual financial reporting form for 2020 from the city by June 1, 2023.  
43.9 The commissioner of revenue must make a payment of \$79,476 to the city by June 30, 2023.

43.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

43.11 Sec. 25. **REPEALER.**

43.12 Minnesota Statutes 2022, sections 477A.011, subdivisions 30a, 38, 42, and 45; and  
43.13 477A.013, subdivision 13, are repealed.

43.14 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
43.15 and thereafter.

43.16 **ARTICLE 4**

43.17 **RENTER'S CREDIT**

43.18 Section 1. Minnesota Statutes 2022, section 10A.31, subdivision 1, is amended to read:

43.19 Subdivision 1. **Designation.** An individual resident of this state who files an income tax  
43.20 ~~return or a renter and~~ homeowner property tax refund return, or simplified renter's credit  
43.21 return under section 290.0693 with the commissioner of revenue may designate on their  
43.22 original return that \$5 be paid from the general fund of the state into the state elections  
43.23 campaign account. ~~If a husband and wife~~ spouses file a joint return, each spouse may  
43.24 designate that \$5 be paid. No individual is allowed to designate \$5 more than once in any  
43.25 year. The taxpayer may designate that the amount be paid into the account of a political  
43.26 party or into the general account.

43.27 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
43.28 31, 2023.

43.29 Sec. 2. Minnesota Statutes 2022, section 10A.31, subdivision 3, is amended to read:

43.30 Subd. 3. **Form.** The commissioner of revenue must provide on the first page of the  
43.31 income tax form ~~and the renter and~~ homeowner property tax refund return, and simplified

renter's credit return under section 290.0693 a space for the individual to indicate a wish to pay \$5 (\$10 if filing a joint return) from the general fund of the state to finance election campaigns. The form must also contain language prepared by the commissioner that permits the individual to direct the state to pay the \$5 (or \$10 if filing a joint return) to: (1) one of the major political parties; (2) any minor political party that qualifies under subdivision 3a; or (3) all qualifying candidates as provided by subdivision 7. The ~~renter and~~ homeowner property tax refund return must include instructions that the individual filing the return may designate \$5 on the return only if the individual has not designated \$5 on the income tax return or simplified renter's credit return under section 290.0693.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2023.

Sec. 3. Minnesota Statutes 2022, section 13.46, subdivision 2, is amended to read:

Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated by the welfare system are private data on individuals, and shall not be disclosed except:

(1) according to section 13.05;

(2) according to court order;

(3) according to a statute specifically authorizing access to the private data;

(4) to an agent of the welfare system and an investigator acting on behalf of a county, the state, or the federal government, including a law enforcement person or attorney in the investigation or prosecution of a criminal, civil, or administrative proceeding relating to the administration of a program;

(5) to personnel of the welfare system who require the data to verify an individual's identity; determine eligibility, amount of assistance, and the need to provide services to an individual or family across programs; coordinate services for an individual or family; evaluate the effectiveness of programs; assess parental contribution amounts; and investigate suspected fraud;

(6) to administer federal funds or programs;

(7) between personnel of the welfare system working in the same program;

(8) to the Department of Revenue to assess parental contribution amounts for purposes of section 252.27, subdivision 2a, administer and evaluate tax refund or tax credit programs and to identify individuals who may benefit from these programs. The following information may be disclosed under this paragraph: an individual's and their dependent's names, dates

of birth, Social Security numbers, income, addresses, and other data as required, upon request by the Department of Revenue. Disclosures by the commissioner of revenue to the commissioner of human services for the purposes described in this clause are governed by section 270B.14, subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund ~~and rental credit~~ under section 290A.04, and the Minnesota education credit under section 290.0674;

(9) between the Department of Human Services, the Department of Employment and Economic Development, and when applicable, the Department of Education, for the following purposes:

(i) to monitor the eligibility of the data subject for unemployment benefits, for any employment or training program administered, supervised, or certified by that agency;

(ii) to administer any rehabilitation program or child care assistance program, whether alone or in conjunction with the welfare system;

(iii) to monitor and evaluate the Minnesota family investment program or the child care assistance program by exchanging data on recipients and former recipients of Supplemental Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, medical programs under chapter 256B or 256L, or a medical program formerly codified under chapter 256D; and

(iv) to analyze public assistance employment services and program utilization, cost, effectiveness, and outcomes as implemented under the authority established in Title II, Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999. Health records governed by sections 144.291 to 144.298 and "protected health information" as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code of Federal Regulations, title 45, parts 160-164, including health care claims utilization information, must not be exchanged under this clause;

(10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;

(11) data maintained by residential programs as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state according to Part C of Public Law 98-527 to protect the legal and human rights of persons with developmental disabilities or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and

46.1 the person does not have a legal guardian or the state or a designee of the state is the legal  
46.2 guardian of the person;

46.3 (12) to the county medical examiner or the county coroner for identifying or locating  
46.4 relatives or friends of a deceased person;

46.5 (13) data on a child support obligor who makes payments to the public agency may be  
46.6 disclosed to the Minnesota Office of Higher Education to the extent necessary to determine  
46.7 eligibility under section 136A.121, subdivision 2, clause (5);

46.8 (14) participant Social Security numbers and names collected by the telephone assistance  
46.9 program may be disclosed to the Department of Revenue to conduct an electronic data  
46.10 match with the property tax refund database to determine eligibility under section 237.70,  
46.11 subdivision 4a;

46.12 (15) the current address of a Minnesota family investment program participant may be  
46.13 disclosed to law enforcement officers who provide the name of the participant and notify  
46.14 the agency that:

46.15 (i) the participant:

46.16 (A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after  
46.17 conviction, for a crime or attempt to commit a crime that is a felony under the laws of the  
46.18 jurisdiction from which the individual is fleeing; or

46.19 (B) is violating a condition of probation or parole imposed under state or federal law;

46.20 (ii) the location or apprehension of the felon is within the law enforcement officer's  
46.21 official duties; and

46.22 (iii) the request is made in writing and in the proper exercise of those duties;

46.23 (16) the current address of a recipient of general assistance may be disclosed to probation  
46.24 officers and corrections agents who are supervising the recipient and to law enforcement  
46.25 officers who are investigating the recipient in connection with a felony level offense;

46.26 (17) information obtained from a SNAP applicant or recipient households may be  
46.27 disclosed to local, state, or federal law enforcement officials, upon their written request, for  
46.28 the purpose of investigating an alleged violation of the Food and Nutrition Act, according  
46.29 to Code of Federal Regulations, title 7, section 272.1(c);

46.30 (18) the address, Social Security number, and, if available, photograph of any member  
46.31 of a household receiving SNAP benefits shall be made available, on request, to a local, state,

47.1 or federal law enforcement officer if the officer furnishes the agency with the name of the  
47.2 member and notifies the agency that:

47.3 (i) the member:

47.4 (A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a  
47.5 crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

47.6 (B) is violating a condition of probation or parole imposed under state or federal law;  
47.7 or

47.8 (C) has information that is necessary for the officer to conduct an official duty related  
47.9 to conduct described in subitem (A) or (B);

47.10 (ii) locating or apprehending the member is within the officer's official duties; and

47.11 (iii) the request is made in writing and in the proper exercise of the officer's official duty;

47.12 (19) the current address of a recipient of Minnesota family investment program, general  
47.13 assistance, or SNAP benefits may be disclosed to law enforcement officers who, in writing,  
47.14 provide the name of the recipient and notify the agency that the recipient is a person required  
47.15 to register under section 243.166, but is not residing at the address at which the recipient is  
47.16 registered under section 243.166;

47.17 (20) certain information regarding child support obligors who are in arrears may be  
47.18 made public according to section 518A.74;

47.19 (21) data on child support payments made by a child support obligor and data on the  
47.20 distribution of those payments excluding identifying information on obligees may be  
47.21 disclosed to all obligees to whom the obligor owes support, and data on the enforcement  
47.22 actions undertaken by the public authority, the status of those actions, and data on the income  
47.23 of the obligor or obligee may be disclosed to the other party;

47.24 (22) data in the work reporting system may be disclosed under section 256.998,  
47.25 subdivision 7;

47.26 (23) to the Department of Education for the purpose of matching Department of Education  
47.27 student data with public assistance data to determine students eligible for free and  
47.28 reduced-price meals, meal supplements, and free milk according to United States Code,  
47.29 title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state  
47.30 funds that are distributed based on income of the student's family; and to verify receipt of  
47.31 energy assistance for the telephone assistance plan;

(24) the current address and telephone number of program recipients and emergency contacts may be released to the commissioner of health or a community health board as defined in section 145A.02, subdivision 5, when the commissioner or community health board has reason to believe that a program recipient is a disease case, carrier, suspect case, or at risk of illness, and the data are necessary to locate the person;

(25) to other state agencies, statewide systems, and political subdivisions of this state, including the attorney general, and agencies of other states, interstate information networks, federal agencies, and other entities as required by federal regulation or law for the administration of the child support enforcement program;

(26) to personnel of public assistance programs as defined in section 256.741, for access to the child support system database for the purpose of administration, including monitoring and evaluation of those public assistance programs;

(27) to monitor and evaluate the Minnesota family investment program by exchanging data between the Departments of Human Services and Education, on recipients and former recipients of SNAP benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, medical programs under chapter 256B or 256L, or a medical program formerly codified under chapter 256D;

(28) to evaluate child support program performance and to identify and prevent fraud in the child support program by exchanging data between the Department of Human Services, Department of Revenue under section 270B.14, subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph (c), Department of Health, Department of Employment and Economic Development, and other state agencies as is reasonably necessary to perform these functions;

(29) counties and the Department of Human Services operating child care assistance programs under chapter 119B may disseminate data on program participants, applicants, and providers to the commissioner of education;

(30) child support data on the child, the parents, and relatives of the child may be disclosed to agencies administering programs under titles IV-B and IV-E of the Social Security Act, as authorized by federal law;

(31) to a health care provider governed by sections 144.291 to 144.298, to the extent necessary to coordinate services;



(32) to the chief administrative officer of a school to coordinate services for a student and family; data that may be disclosed under this clause are limited to name, date of birth, gender, and address;

(33) to county correctional agencies to the extent necessary to coordinate services and diversion programs; data that may be disclosed under this clause are limited to name, client demographics, program, case status, and county worker information; or

(34) between the Department of Human Services and the Metropolitan Council for the following purposes:

(i) to coordinate special transportation service provided under section 473.386 with services for people with disabilities and elderly individuals funded by or through the Department of Human Services; and

(ii) to provide for reimbursement of special transportation service provided under section 473.386.

The data that may be shared under this clause are limited to the individual's first, last, and middle names; date of birth; residential address; and program eligibility status with expiration date for the purposes of informing the other party of program eligibility.

(b) Information on persons who have been treated for drug or alcohol abuse may only be disclosed according to the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 7, clause (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are not subject to the access provisions of subdivision 10, paragraph (b).

For the purposes of this subdivision, a request will be deemed to be made in writing if made through a computer interface system.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2023.

Sec. 4. Minnesota Statutes 2022, section 270B.12, subdivision 8, is amended to read:

Subd. 8. **County assessors; homestead classification and ~~renter~~ renter's credit.** The commissioner may disclose names and Social Security numbers of individuals who have

50.1 applied for both homestead classification under section 273.13 and a ~~property tax refund~~  
50.2 ~~as a renter under chapter 290A~~ renter's credit under section 290.0693 for the purpose of and  
50.3 to the extent necessary to administer section 290A.25.

50.4 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
50.5 and following years.

50.6 Sec. 5. Minnesota Statutes 2022, section 270B.14, subdivision 1, is amended to read:

50.7 Subdivision 1. **Disclosure to commissioner of human services.** (a) On the request of  
50.8 the commissioner of human services, the commissioner shall disclose return information  
50.9 regarding taxes imposed by chapter 290, and claims for refunds under chapter 290A, to the  
50.10 extent provided in paragraph (b) and for the purposes set forth in paragraph (c).

50.11 (b) Data that may be disclosed are limited to data relating to the identity, whereabouts,  
50.12 employment, income, and property of a person owing or alleged to be owing an obligation  
50.13 of child support.

50.14 (c) The commissioner of human services may request data only for the purposes of  
50.15 carrying out the child support enforcement program and to assist in the location of parents  
50.16 who have, or appear to have, deserted their children. Data received may be used only as set  
50.17 forth in section 256.978.

50.18 (d) The commissioner shall provide the records and information necessary to administer  
50.19 the supplemental housing allowance to the commissioner of human services.

50.20 (e) At the request of the commissioner of human services, the commissioner of revenue  
50.21 shall electronically match the Social Security numbers and names of participants in the  
50.22 telephone assistance plan operated under sections 237.69 to 237.71, with those of property  
50.23 tax refund filers under chapter 290A or renter's credit filers under section 290.0693, and  
50.24 determine whether each participant's household income is within the eligibility standards  
50.25 for the telephone assistance plan.

50.26 (f) The commissioner may provide records and information collected under sections  
50.27 295.50 to 295.59 to the commissioner of human services for purposes of the Medicaid  
50.28 Voluntary Contribution and Provider-Specific Tax Amendments of 1991, Public Law  
50.29 102-234. Upon the written agreement by the United States Department of Health and Human  
50.30 Services to maintain the confidentiality of the data, the commissioner may provide records  
50.31 and information collected under sections 295.50 to 295.59 to the Centers for Medicare and  
50.32 Medicaid Services section of the United States Department of Health and Human Services  
50.33 for purposes of meeting federal reporting requirements.

(g) The commissioner may provide records and information to the commissioner of human services as necessary to administer the early refund of refundable tax credits.

(h) The commissioner may disclose information to the commissioner of human services as necessary for income verification for eligibility and premium payment under the MinnesotaCare program, under section 256L.05, subdivision 2, as well as the medical assistance program under chapter 256B.

(i) The commissioner may disclose information to the commissioner of human services necessary to verify whether applicants or recipients for the Minnesota family investment program, general assistance, the Supplemental Nutrition Assistance Program (SNAP), Minnesota supplemental aid program, and child care assistance have claimed refundable tax credits under chapter 290 and the property tax refund under chapter 290A, and the amounts of the credits.

(j) The commissioner may disclose information to the commissioner of human services necessary to verify income for purposes of calculating parental contribution amounts under section 252.27, subdivision 2a.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2023.

Sec. 6. Minnesota Statutes 2022, section 270C.445, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section and sections 270C.4451 to 270C.447, the following terms have the meanings given.

(b) "Advertise" means to solicit business through any means or medium.

(c) "Client" means a person for whom a tax preparer performs or agrees to perform tax preparation services.

(d) "Facilitate" means to individually or in conjunction or cooperation with another person:

(1) accept an application for a refund anticipation loan;

(2) pay to a client the proceeds, through direct deposit, a negotiable instrument, or any other means, of a refund anticipation loan; or

(3) offer, arrange, process, provide, or in any other manner act to allow the making of, a refund anticipation loan.

52.1 (e) "Refund anticipation check" means a negotiable instrument provided to a client by  
52.2 the tax preparer or another person, which is issued from the proceeds of a taxpayer's federal  
52.3 or state income tax refund or both and represents the net of the refund minus the tax  
52.4 preparation fee and any other fees. A refund anticipation check includes a refund transfer.

52.5 (f) "Refund anticipation loan" means a loan or any other extension of credit, whether  
52.6 provided by the tax preparer or another entity such as a financial institution, in anticipation  
52.7 of, and whose payment is secured by, a client's federal or state income tax refund or both.

52.8 (g) "Tax preparation services" means services provided for compensation to a client to:

52.9 (1) assist with preparing or filing a return;

52.10 (2) assume final responsibility for completed work on a return on which preliminary  
52.11 work has been done by another;

52.12 (3) sign or include on a return the preparer tax identification number required under  
52.13 section 6109(a)(4) of the Internal Revenue Code; or

52.14 (4) facilitate the provision of a refund anticipation loan or a refund anticipation check.

52.15 (h) "Tax preparer" or "preparer" means a person providing tax preparation services  
52.16 except:

52.17 (1) an employee who prepares their employer's return;

52.18 (2) any fiduciary, or the regular employees of a fiduciary, while acting on behalf of the  
52.19 fiduciary estate, testator, trustor, grantor, or beneficiaries of them;

52.20 (3) nonprofit organizations providing tax preparation services under the Internal Revenue  
52.21 Service Volunteer Income Tax Assistance Program or Tax Counseling for the Elderly  
52.22 Program;

52.23 (4) a person who merely furnishes typing, reproducing, or other mechanical assistance;

52.24 (5) a third-party bulk filer as defined in section 290.92, subdivision 30, that is currently  
52.25 registered with the commissioner; and

52.26 (6) a certified service provider as defined in section 297A.995, subdivision 2, paragraph  
52.27 (c), that provides all of the sales tax functions for a retailer not maintaining a place of  
52.28 business in this state as described in section 297A.66.

52.29 (i) Except as otherwise provided, "return" means:

52.30 (1) a return as defined in section 270C.01, subdivision 8;

52.31 (2) a claim for refund of an overpayment;

53.1 (3) a claim filed pursuant to chapter 290A; ~~and~~

53.2 (4) a claim for a credit filed under section 290.0677, subdivision 1; and

53.3 (5) a simplified renter's credit filing under section 290.0693, subdivision 12.

53.4 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
53.5 31, 2023.

53.6 Sec. 7. Minnesota Statutes 2022, section 270C.445, subdivision 3, is amended to read:

53.7 Subd. 3. **Standards of conduct.** No tax preparer shall:

53.8 (1) without good cause fail to promptly, diligently, and without unreasonable delay  
53.9 complete a client's return;

53.10 (2) obtain the signature of a client to a return or authorizing document that contains  
53.11 blank spaces to be filled in after it has been signed;

53.12 (3) fail to sign a client's return when compensation for services rendered has been made;

53.13 (4) fail to provide on a client's return the preparer tax identification number when required  
53.14 under section 6109(a)(4) of the Internal Revenue Code or section 289A.60, subdivision 28;

53.15 (5) fail or refuse to give a client a copy of any document requiring the client's signature  
53.16 within a reasonable time after the client signs the document;

53.17 (6) fail to retain for at least four years a copy of a client's returns;

53.18 (7) fail to maintain a confidential relationship with clients or former clients;

53.19 (8) fail to take commercially reasonable measures to safeguard a client's nonpublic  
53.20 personal information;

53.21 (9) make, authorize, publish, disseminate, circulate, or cause to make, either directly or  
53.22 indirectly, any false, deceptive, or misleading statement or representation relating to or in  
53.23 connection with the offering or provision of tax preparation services;

53.24 (10) require a client to enter into a loan arrangement in order to complete a client's return;

53.25 (11) claim credits or deductions on a client's return for which the tax preparer knows or  
53.26 reasonably should know the client does not qualify;

53.27 (12) report a household income on a client's claim filed under chapter 290A that the tax  
53.28 preparer knows or reasonably should know is not accurate;

53.29 (13) engage in any conduct that is subject to a penalty under section 289A.60, subdivision  
53.30 13, 20, 20a, 26, or 28;

54.1 (14) whether or not acting as a taxpayer representative, fail to conform to the standards  
54.2 of conduct required by Minnesota Rules, part 8052.0300, subpart 4;

54.3 (15) whether or not acting as a taxpayer representative, engage in any conduct that is  
54.4 incompetent conduct under Minnesota Rules, part 8052.0300, subpart 5;

54.5 (16) whether or not acting as a taxpayer representative, engage in any conduct that is  
54.6 disreputable conduct under Minnesota Rules, part 8052.0300, subpart 6;

54.7 (17) charge, offer to accept, or accept a fee based upon a percentage of an anticipated  
54.8 refund for tax preparation services;

54.9 (18) under any circumstances, withhold or fail to return to a client a document provided  
54.10 by the client for use in preparing the client's return;

54.11 (19) take control or ownership of a client's refund by any means, including:

54.12 (i) directly or indirectly endorsing or otherwise negotiating a check or other refund  
54.13 instrument, including an electronic version of a check;

54.14 (ii) directing an electronic or direct deposit of the refund into an account unless the  
54.15 client's name is on the account; and

54.16 (iii) establishing or using an account in the preparer's name to receive a client's refund  
54.17 through a direct deposit or any other instrument unless the client's name is also on the  
54.18 account, except that a taxpayer may assign the portion of a refund representing the Minnesota  
54.19 education credit available under section 290.0674 to a bank account without the client's  
54.20 name, as provided under section 290.0679;

54.21 (20) fail to act in the best interests of the client;

54.22 (21) fail to safeguard and account for any money handled for the client;

54.23 (22) fail to disclose all material facts of which the preparer has knowledge which might  
54.24 reasonably affect the client's rights and interests;

54.25 (23) violate any provision of section 332.37;

54.26 (24) include any of the following in any document provided or signed in connection  
54.27 with the provision of tax preparation services:

54.28 (i) a hold harmless clause;

54.29 (ii) a confession of judgment or a power of attorney to confess judgment against the  
54.30 client or appear as the client in any judicial proceeding;

55.1 (iii) a waiver of the right to a jury trial, if applicable, in any action brought by or against  
55.2 a debtor;

55.3 (iv) an assignment of or an order for payment of wages or other compensation for  
55.4 services;

55.5 (v) a provision in which the client agrees not to assert any claim or defense otherwise  
55.6 available;

55.7 (vi) a waiver of any provision of this section or a release of any obligation required to  
55.8 be performed on the part of the tax preparer; or

55.9 (vii) a waiver of the right to injunctive, declaratory, or other equitable relief or relief on  
55.10 a class basis; ~~or~~

55.11 (25) if making, providing, or facilitating a refund anticipation loan, fail to provide all  
55.12 disclosures required by the federal Truth in Lending Act, United States Code, title 15, in a  
55.13 form that may be retained by the client; or

55.14 (26) report a household income on a client's claim filed under section 290.0693,  
55.15 subdivision 12, that the tax preparer knows or reasonably should know is not accurate.

55.16 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
55.17 31, 2023.

55.18 Sec. 8. Minnesota Statutes 2022, section 289A.18, subdivision 5, is amended to read:

55.19 Subd. 5. **Property tax refund claims.** A claim for a refund based on property taxes  
55.20 payable must be filed with the commissioner on or before August 15 of the year in which  
55.21 the property taxes are due and payable. ~~Any claim for refund based on rent paid must be~~  
55.22 ~~filed on or before August 15 of the year following the year in which the rent was paid.~~

55.23 **EFFECTIVE DATE.** This section is effective for property taxes payable in 2025 and  
55.24 thereafter.

55.25 Sec. 9. Minnesota Statutes 2022, section 289A.38, subdivision 4, is amended to read:

55.26 Subd. 4. **Property tax refund.** For purposes of computing the limitation under this  
55.27 section, the due date of the property tax refund return as provided for in chapter 290A is  
55.28 the due date for an income tax return covering ~~the year in which the rent was paid or the~~  
55.29 ~~year preceding the year in which the property taxes are payable.~~

55.30 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
55.31 and following years.

Sec. 10. Minnesota Statutes 2022, section 289A.56, subdivision 6, is amended to read:

Subd. 6. **Property tax refunds under chapter 290A.** ~~(a) When a renter is owed a property tax refund, an unpaid refund bears interest after August 14, or 60 days after the refund claim was made, whichever is later, until the date the refund is paid.~~

~~(b)~~ When ~~any other~~ a claimant is owed a property tax refund under chapter 290A, the unpaid refund bears interest after September 29, or 60 days after the refund claim was made, whichever is later, until the date the refund is paid.

**EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024 and following years.

Sec. 11. Minnesota Statutes 2022, section 289A.60, subdivision 12, is amended to read:

Subd. 12. **Penalties relating to property tax refunds.** (a) If it is determined that a property tax refund claim is excessive and was negligently prepared, a claimant is liable for a penalty of ten percent of the disallowed claim. If the claim has been paid, the amount disallowed must be recovered by assessment and collection.

(b) An owner who without reasonable cause fails to give a certificate of rent ~~constituting property tax~~ paid to a renter, as required by ~~section~~ sections 290.0693, subdivision 4, and 290A.19, paragraph (a), is liable to the commissioner for a penalty of \$100 for each failure.

(c) If the owner or managing agent knowingly gives rent certificates that report total rent constituting property taxes in excess of the amount of actual rent constituting property taxes paid on the rented part of a property, the owner or managing agent is liable for a penalty equal to the greater of (1) \$100 or (2) 50 percent of the excess that is reported. An overstatement of rent constituting property taxes is presumed to be knowingly made if it exceeds by ten percent or more the actual rent constituting property taxes.

**EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024 and following years.

Sec. 12. Minnesota Statutes 2022, section 289A.60, subdivision 13, is amended to read:

Subd. 13. **Penalties for tax preparers.** (a) If an understatement of liability with respect to a return or claim for refund is due to a reckless disregard of laws and rules or willful attempt in any manner to understate the liability for a tax by a person who is a tax preparer with respect to the return or claim, the person shall pay to the commissioner a penalty of \$500. If a part of a claim filed under section 290.0677, subdivision 1; 290.0693; or chapter 290A is excessive due to a reckless disregard or willful attempt in any manner to overstate



the claim allowed by a person who is a tax preparer, the tax preparer shall pay to the commissioner a penalty of \$500 with respect to the claim. These penalties may not be assessed against the employer of a tax preparer unless the employer was actively involved in the reckless disregard or willful attempt to understate the liability for a tax or to overstate the claim for refund. These penalties are income tax liabilities and may be assessed at any time as provided in section 289A.38, subdivision 5.

(b) A civil action in the name of the state of Minnesota may be commenced to enjoin any person who is a tax preparer doing business in this state as provided in section 270C.447.

(c) The commissioner may terminate or suspend a tax preparer's authority to transmit returns electronically to the state, if the commissioner determines that the tax preparer has engaged in a pattern and practice of conduct in violation of paragraph (a) of this subdivision or has been convicted under section 289A.63.

(d) For purposes of this subdivision, the term "understatement of liability" means an understatement of the net amount payable with respect to a tax imposed by state tax law, or an overstatement of the net amount creditable or refundable with respect to a tax. The determination of whether or not there is an understatement of liability must be made without regard to any administrative or judicial action involving the taxpayer. For purposes of this subdivision, the amount determined for underpayment of estimated tax under either section 289A.25 or 289A.26 is not considered an understatement of liability.

(e) For purposes of this subdivision, the term "overstatement of claim" means an overstatement of the net amount refundable with respect to a claim filed under section 290.0677, subdivision 1, 290.0693, subdivision 12, or chapter 290A. The determination of whether or not there is an overstatement of a claim must be made without regard to administrative or judicial action involving the claimant.

(f) For purposes of this section, the term "tax preparer" or "preparer" has the meaning given in section 270C.445, subdivision 2, paragraph (h).

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2023.

Sec. 13. Minnesota Statutes 2022, section 289A.60, subdivision 28, is amended to read:

Subd. 28. **Preparer identification number.** (a) Each of the following that is prepared by a tax preparer must include the tax preparer's tax identification number:

(1) a tax return required to be filed under this chapter;

(2) a claim filed under section 290.0677, subdivision 1, 290.0693, subdivision 12, or  
chapter 290A; and

(3) a claim for refund of an overpayment.

(b) A tax preparer is not required to include their preparer tax identification number on a filing if the number is not required in the forms or filing requirements provided by the commissioner.

(c) A tax preparer who fails to include the preparer tax identification number as required by this section is subject to a penalty of \$50 for each failure.

(d) A tax preparer who fails to include the preparer tax identification number as required by this section, and who is required to have a valid preparer tax identification number issued under section 6109(a)(4) of the Internal Revenue Code, but does not have one, is subject to a \$500 penalty for each failure. A tax preparer subject to the penalty in this paragraph is not subject to the penalty in paragraph (c).

(e) For the purposes of this subdivision, "tax preparer" has the meaning given in section 270C.445, subdivision 2, paragraph (h), and "preparer tax identification number" means the number the tax preparer is required to use federally under section 6109(a)(4) of the Internal Revenue Code.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2023.

Sec. 14. **[290.0693] RENTER'S CREDIT.**

**Subdivision 1. Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Dependent" means any individual who is considered a dependent under sections 151 and 152 of the Internal Revenue Code.

(c) "Disability" has the meaning given in section 290A.03, subdivision 10.

(d) "Exemption amount" means the exemption amount under section 290.0121, subdivision 1, paragraph (b).

(e) "Gross rent" means rent paid for the right of occupancy, at arm's length, of a homestead, exclusive of charges for any medical services furnished by the landlord as a part of the rental agreement, whether expressly set out in the rental agreement or not. The gross rent of a resident of a nursing home or intermediate care facility is \$600 per month. The gross rent of a resident of an adult foster care home is \$930 per month. The commissioner

shall annually adjust the amounts in this paragraph as provided in section 270C.22. The statutory year is 2023. If the landlord and tenant have not dealt with each other at arm's length and the commissioner determines that the gross rent charged was excessive, the commissioner may adjust the gross rent to a reasonable amount for purposes of this section.

(f) "Homestead" has the meaning given in section 290A.03, subdivision 6.

(g) "Household" has the meaning given in section 290A.03, subdivision 4.

(h) "Household income" means all income received by all persons of a household in a taxable year while members of the household, other than income of a dependent.

(i) "Income" means adjusted gross income, minus:

(1) for the taxpayer's first dependent, the exemption amount multiplied by 1.4;

(2) for the taxpayer's second dependent, the exemption amount multiplied by 1.3;

(3) for the taxpayer's third dependent, the exemption amount multiplied by 1.2;

(4) for the taxpayer's fourth dependent, the exemption amount multiplied by 1.1;

(5) for the taxpayer's fifth dependent, the exemption amount; and

(6) if the taxpayer or taxpayer's spouse had a disability or attained the age of 65 on or before the close of the taxable year, the exemption amount.

(j) "Rent constituting property taxes" means 17 percent of the gross rent actually paid in cash, or its equivalent, or the portion of rent paid in lieu of property taxes, in any taxable year by a claimant for the right of occupancy of the claimant's Minnesota homestead in the taxable year, and which rent constitutes the basis, in the succeeding taxable year of a claim for a credit under this section by the claimant. If an individual occupies a homestead with another person or persons not related to the individual as the individual's spouse or as dependents, and the other person or persons are residing at the homestead under a rental or lease agreement with the individual, the amount of rent constituting property tax for the individual equals that portion not covered by the rental agreement.

Subd. 2. **Credit allowed; refundable.** (a) An individual is allowed a credit against the tax due under this chapter equal to the amount that rent constituting property taxes exceeds the percentage of the household income of the claimant specified in subdivision 3 in the taxable year in which the rent was paid as specified in that subdivision.

(b) If the amount of credit which a taxpayer is eligible to receive under this section exceeds the taxpayer's liability for tax under this chapter, the commissioner shall refund the excess to the taxpayer.

Subd. 3. Renters. (a) A taxpayer whose rent constituting property taxes exceeds the percentage of the household income stated below must pay an amount equal to the percent of income shown for the appropriate household income level along with the percent paid by claimant of the remaining amount of rent constituting property taxes. The credit under subdivision 2 equals the amount of rent constituting property taxes that remain, up to the maximum credit amount shown below.

<u>Household Income</u>	<u>Percent of Income</u>	<u>Percent paid by claimant</u>	<u>Maximum Credit</u>
<u>\$0 to 6,479</u>	<u>1.0 percent</u>	<u>5 percent</u>	<u>\$ 2,640</u>
<u>6,480 to 8,609</u>	<u>1.0 percent</u>	<u>10 percent</u>	<u>\$ 2,640</u>
<u>8,610 to 10,759</u>	<u>1.1 percent</u>	<u>10 percent</u>	<u>\$ 2,570</u>
<u>10,760 to 15,089</u>	<u>1.2 percent</u>	<u>10 percent</u>	<u>\$ 2,510</u>
<u>15,090 to 19,399</u>	<u>1.3 percent</u>	<u>15 percent</u>	<u>\$ 2,430</u>
<u>19,400 to 21,539</u>	<u>1.4 percent</u>	<u>15 percent</u>	<u>\$ 2,370</u>
<u>21,540 to 23,679</u>	<u>1.4 percent</u>	<u>20 percent</u>	<u>\$ 2,310</u>
<u>23,680 to 28,009</u>	<u>1.5 percent</u>	<u>20 percent</u>	<u>\$ 2,240</u>
<u>28,010 to 30,159</u>	<u>1.6 percent</u>	<u>20 percent</u>	<u>\$ 2,180</u>
<u>30,160 to 32,309</u>	<u>1.7 percent</u>	<u>25 percent</u>	<u>\$ 2,180</u>
<u>32,310 to 36,629</u>	<u>1.8 percent</u>	<u>25 percent</u>	<u>\$ 2,180</u>
<u>36,630 to 38,769</u>	<u>1.9 percent</u>	<u>30 percent</u>	<u>\$ 2,180</u>
<u>38,770 to 45,229</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$ 2,180</u>
<u>45,230 to 51,689</u>	<u>2.0 percent</u>	<u>35 percent</u>	<u>\$ 2,180</u>
<u>51,690 to 60,319</u>	<u>2.0 percent</u>	<u>40 percent</u>	<u>\$ 2,180</u>
<u>60,320 to 62,459</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$ 1,980</u>
<u>62,460 to 64,619</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$ 1,780</u>
<u>64,620 to 66,789</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$ 1,510</u>
<u>66,790 to 68,929</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 1,320</u>
<u>68,930 to 71,089</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 1,190</u>
<u>71,090 to 73,239</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 660</u>
<u>73,240 to 75,389</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 260</u>

The credit is the amount calculated under this subdivision. No credit is allowed if the taxpayer's household income is \$75,389 or more.

(b) The commissioner must annually adjust the dollar amounts of the income thresholds and the maximum refunds in paragraph (a), as provided in section 270C.22. The statutory year is 2024.

61.1 (c) The commissioner shall construct and make available to taxpayers a comprehensive  
61.2 table showing the rent constituting property taxes to be paid and refund allowed at various  
61.3 levels of income and assessment. The table shall follow the schedule of income percentages,  
61.4 maximums, and other provisions specified in paragraph (a), except that the commissioner  
61.5 may graduate the transition between income brackets. All refunds shall be computed in  
61.6 accordance with tables prepared and issued by the commissioner.

61.7 Subd. 4. **Owner or managing agent to furnish rent certificate.** (a) The owner or  
61.8 managing agent of any property for which rent is paid for occupancy as a homestead must  
61.9 furnish a certificate of rent paid to a person who is a renter on December 31, in the form  
61.10 prescribed by the commissioner. If the renter moves before December 31, the owner or  
61.11 managing agent may give the certificate to the renter at the time of moving, or mail the  
61.12 certificate to the forwarding address if an address has been provided by the renter. The  
61.13 certificate must be made available to the renter before February 1 of the year following the  
61.14 year in which the rent was paid. The owner or managing agent must retain a duplicate of  
61.15 each certificate or an equivalent record showing the same information for a period of four  
61.16 years. The duplicate or other record must be made available to the commissioner upon  
61.17 request.

61.18 (b) The commissioner may require the owner or managing agent, through a simple  
61.19 process, to furnish to the commissioner on or before March 1 a copy of each certificate of  
61.20 rent paid furnished to a renter for rent paid in the prior year. The commissioner shall prescribe  
61.21 the content, format, and manner of the form pursuant to section 270C.30. The commissioner  
61.22 may require the Social Security number, individual taxpayer identification number, federal  
61.23 employer identification number, or Minnesota taxpayer identification number of the owner  
61.24 or managing agent who is required to furnish a certificate of rent paid under this paragraph.  
61.25 Before implementation, the commissioner, after consulting with representatives of owners  
61.26 or managing agents, shall develop an implementation and administration plan for the  
61.27 requirements of this paragraph that attempts to minimize financial burdens, administration  
61.28 and compliance costs, and takes into consideration existing systems of owners and managing  
61.29 agents.

61.30 Subd. 5. **Eligibility; residency.** (a) A taxpayer is eligible for the credit under this section  
61.31 if the taxpayer is an individual, other than a dependent, as defined under sections 151 and  
61.32 152 of the Internal Revenue Code, disregarding section 152(b)(3) of the Internal Revenue  
61.33 Code, who filed for a credit and who was a resident of this state during the taxable year for  
61.34 which the credit was claimed.

62.1 (b) In the case of a credit for rent constituting property taxes of a part-year Minnesota  
62.2 resident, the household income and rent constituting property taxes reflected in this  
62.3 computation shall be for the period of Minnesota residency only. Any rental expenses paid  
62.4 that may be reflected in arriving at federal adjusted gross income cannot be utilized for this  
62.5 computation.

62.6 (c) When two individuals of a household are able to meet the qualifications to claim a  
62.7 credit under this section, the individuals may determine among them as to which individual  
62.8 may claim the credit. If the individuals are unable to agree, the matter shall be referred to  
62.9 the commissioner of revenue whose decision shall be final.

62.10 (d) To claim a credit under this section, the taxpayer must have resided in a rented or  
62.11 leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes,  
62.12 including payments of special assessments imposed in lieu of ad valorem taxes, are payable  
62.13 at some time during the taxable year for which the taxpayer claimed the credit.

62.14 Subd. 6. Residents of nursing homes, intermediate care facilities, long-term care  
62.15 facilities, or facilities accepting housing support payments. (a) A taxpayer must not claim  
62.16 a credit under this section if the taxpayer is a resident of a nursing home, intermediate care  
62.17 facility, long-term residential facility, or a facility that accepts housing support payments  
62.18 whose rent constituting property taxes is paid pursuant to the Supplemental Security Income  
62.19 program under title XVI of the Social Security Act, the Minnesota supplemental aid program  
62.20 under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX  
62.21 of the Social Security Act, or the housing support program under chapter 256I.

62.22 (b) If only a portion of the rent constituting property taxes is paid by these programs,  
62.23 the resident is eligible for a credit, but the credit calculated must be multiplied by a fraction,  
62.24 the numerator of which is adjusted gross income, reduced by the total amount of income  
62.25 from the above sources other than vendor payments under the medical assistance program  
62.26 and the denominator of which is adjusted gross income, plus vendor payments under the  
62.27 medical assistance program, to determine the allowable credit.

62.28 (c) Notwithstanding paragraphs (a) and (b), if the taxpayer was a resident of the nursing  
62.29 home, intermediate care facility, long-term residential facility, or facility for which the rent  
62.30 was paid for the claimant by the housing support program for only a portion of the taxable  
62.31 year covered by the claim, the taxpayer may compute rent constituting property taxes by  
62.32 disregarding the rent constituting property taxes from the nursing home or facility and may  
62.33 use only that amount of rent constituting property taxes or property taxes payable relating

63.1 to that portion of the year when the taxpayer was not in the facility. The taxpayer's household  
63.2 income is the income for the entire taxable year covered by the claim.

63.3 Subd. 7. **Credit for unmarried taxpayers residing in the same household.** If a  
63.4 homestead is occupied by two or more renters who are not married to each other, the rent  
63.5 shall be deemed to be paid equally by each renter, and separate claims shall be filed by each  
63.6 renter. The income of each renter shall be each renter's household income for purposes of  
63.7 computing the amount of credit to be allowed.

63.8 Subd. 8. **One claimant per household.** Only one taxpayer per household per year is  
63.9 entitled to claim a credit under this section. In the case of a married taxpayer filing a separate  
63.10 return, only one spouse may claim the credit under this section. The credit amount for the  
63.11 spouse that claims the credit must be calculated based on household income and not solely  
63.12 on the income of the spouse.

63.13 Subd. 9. **Proof of claim.** (a) Every taxpayer claiming a credit under this section shall  
63.14 supply to the commissioner of revenue, in support of the claim, proof of eligibility under  
63.15 this section, including but not limited to amount of rent paid, name and address of owner  
63.16 or managing agent of property rented, changes in household membership, and household  
63.17 income.

63.18 (b) Taxpayers with a disability shall submit proof of disability in the form and manner  
63.19 as the commissioner prescribes. The department may require examination and certification  
63.20 by the taxpayer's physician or by a physician designated by the commissioner. The cost of  
63.21 any examination shall be borne by the taxpayer, unless the examination proves the disability,  
63.22 in which case the cost of the examination shall be borne by the commissioner.

63.23 (c) A determination of disability of a taxpayer by the Social Security Administration  
63.24 under Title II or Title XVI of the Social Security Act shall constitute presumptive proof of  
63.25 disability.

63.26 Subd. 10. **No relief allowed in certain cases.** No claim for a credit under this section  
63.27 shall be allowed if the commissioner determines that the claimant received tenancy to the  
63.28 homestead primarily for the purpose of receiving a credit under this section and not for bona  
63.29 fide residence purposes.

63.30 Subd. 11. **Appropriation.** The amount necessary to pay the refunds under this section  
63.31 is appropriated from the general fund to the commissioner.

63.32 Subd. 12. **Simplified filing for individuals without an income tax liability.** The  
63.33 commissioner of revenue must establish a simplified filing process through which a taxpayer

who did not file an individual income tax return due to a lack of a requirement to file an individual income tax return may file a return to claim the credit under this section. The filing process and forms may be in the form or manner determined by the commissioner, but must be designed to reduce the complexity of the filing process and the time needed to file for individuals without an income tax liability.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2023.

Sec. 15. Minnesota Statutes 2022, section 290A.02, is amended to read:

**290A.02 PURPOSE.**

The purpose of this chapter is to provide property tax relief to certain persons who own ~~or rent~~ their homesteads.

**EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024 and following years.

Sec. 16. Minnesota Statutes 2022, section 290A.03, subdivision 3, is amended to read:

Subd. 3. **Income.** (a) "Income" means the sum of the following:

(1) federal adjusted gross income as defined in the Internal Revenue Code; and

(2) the sum of the following amounts to the extent not included in clause (1):

(i) all nontaxable income;

(ii) the amount of a passive activity loss that is not disallowed as a result of section 469, paragraph (i) or (m) of the Internal Revenue Code and the amount of passive activity loss carryover allowed under section 469(b) of the Internal Revenue Code;

(iii) an amount equal to the total of any discharge of qualified farm indebtedness of a solvent individual excluded from gross income under section 108(g) of the Internal Revenue Code;

(iv) cash public assistance and relief;

(v) any pension or annuity (including railroad retirement benefits, all payments received under the federal Social Security Act, Supplemental Security Income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;



65.1 (vi) interest received from the federal or a state government or any instrumentality or  
65.2 political subdivision thereof;

65.3 (vii) workers' compensation;

65.4 (viii) nontaxable strike benefits;

65.5 (ix) the gross amounts of payments received in the nature of disability income or sick  
65.6 pay as a result of accident, sickness, or other disability, whether funded through insurance  
65.7 or otherwise;

65.8 (x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of  
65.9 1986, as amended through December 31, 1995;

65.10 (xi) contributions made by the claimant to an individual retirement account, including  
65.11 a qualified voluntary employee contribution; simplified employee pension plan;  
65.12 self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of  
65.13 the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal  
65.14 Revenue Code, to the extent the sum of amounts exceeds the retirement base amount for  
65.15 the claimant and spouse;

65.16 (xii) to the extent not included in federal adjusted gross income, distributions received  
65.17 by the claimant or spouse from a traditional or Roth style retirement account or plan;

65.18 (xiii) nontaxable scholarship or fellowship grants;

65.19 (xiv) alimony received to the extent not included in the recipient's income;

65.20 (xv) the amount of deduction allowed under section 220 or 223 of the Internal Revenue  
65.21 Code;

65.22 (xvi) the amount deducted for tuition expenses under section 222 of the Internal Revenue  
65.23 Code; and

65.24 (xvii) the amount deducted for certain expenses of elementary and secondary school  
65.25 teachers under section 62(a)(2)(D) of the Internal Revenue Code.

65.26 In the case of an individual who files an income tax return on a fiscal year basis, the  
65.27 term "federal adjusted gross income" shall mean federal adjusted gross income reflected in  
65.28 the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced  
65.29 by the amount of a net operating loss carryback or carryforward or a capital loss carryback  
65.30 or carryforward allowed for the year.

65.31 (b) "Income" does not include:

- 66.1 (1) amounts excluded pursuant to the Internal Revenue Code, sections 101(a) and 102;
- 66.2 (2) amounts of any pension or annuity which was exclusively funded by the claimant  
66.3 or spouse and which funding payments were not excluded from federal adjusted gross  
66.4 income in the years when the payments were made;
- 66.5 (3) to the extent included in federal adjusted gross income, amounts contributed by the  
66.6 claimant or spouse to a traditional or Roth style retirement account or plan, but not to exceed  
66.7 the retirement base amount reduced by the amount of contributions excluded from federal  
66.8 adjusted gross income, but not less than zero;
- 66.9 (4) surplus food or other relief in kind supplied by a governmental agency;
- 66.10 (5) relief granted under this chapter;
- 66.11 (6) child support payments received under a temporary or final decree of dissolution or  
66.12 legal separation;
- 66.13 (7) restitution payments received by eligible individuals and excludable interest as  
66.14 defined in section 803 of the Economic Growth and Tax Relief Reconciliation Act of 2001,  
66.15 Public Law 107-16;
- 66.16 (8) alimony paid; or
- 66.17 (9) veterans disability compensation paid under title 38 of the United States Code.
- 66.18 (c) The sum of the following amounts may be subtracted from income:
- 66.19 (1) for the claimant's first dependent, the exemption amount multiplied by 1.4;
- 66.20 (2) for the claimant's second dependent, the exemption amount multiplied by 1.3;
- 66.21 (3) for the claimant's third dependent, the exemption amount multiplied by 1.2;
- 66.22 (4) for the claimant's fourth dependent, the exemption amount multiplied by 1.1;
- 66.23 (5) for the claimant's fifth dependent, the exemption amount; and
- 66.24 (6) if the claimant or claimant's spouse had a disability or attained the age of 65 on or  
66.25 before December 31 of the year for which the taxes were levied ~~or rent paid~~, the exemption  
66.26 amount.
- 66.27 (d) For purposes of this subdivision, the following terms have the meanings given:
- 66.28 (1) "exemption amount" means the exemption amount under section 290.0121,  
66.29 subdivision 1, paragraph (b), for the taxable year for which the income is reported;

(2) "retirement base amount" means the deductible amount for the taxable year for the claimant and spouse under section 219(b)(5)(A) of the Internal Revenue Code, adjusted for inflation as provided in section 219(b)(5)(C) of the Internal Revenue Code, without regard to whether the claimant or spouse claimed a deduction; and

(3) "traditional or Roth style retirement account or plan" means retirement plans under sections 401, 403, 408, 408A, and 457 of the Internal Revenue Code.

**EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024 and following years.

Sec. 17. Minnesota Statutes 2022, section 290A.03, subdivision 6, is amended to read:

Subd. 6. **Homestead.** "Homestead" means the dwelling occupied as the claimant's principal residence and so much of the land surrounding it, not exceeding ten acres, as is reasonably necessary for use of the dwelling as a home and any other property used for purposes of a homestead as defined in section 273.13, subdivision 22, except for agricultural land assessed as part of a homestead pursuant to section 273.13, subdivision 23, "homestead" is limited to the house and garage and immediately surrounding one acre of land. The homestead may be owned ~~or rented and may be~~ as a part of a multidwelling or multipurpose building and the land on which it is built. A manufactured home, as defined in section 273.125, subdivision 8, or a park trailer taxed as a manufactured home under section 168.012, subdivision 9, assessed as personal property may be a dwelling for purposes of this subdivision.

**EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024 and following years.

Sec. 18. Minnesota Statutes 2022, section 290A.03, subdivision 8, is amended to read:

Subd. 8. **Claimant.** ~~(a)~~ "Claimant" means a person, other than a dependent, as defined under sections 151 and 152 of the Internal Revenue Code disregarding section 152(b)(3) of the Internal Revenue Code, who filed a claim authorized by this chapter and who was a resident of this state as provided in chapter 290 during the calendar year for which the claim for relief was filed.

~~(b) In the case of a claim relating to rent constituting property taxes, the claimant shall have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes, are payable at some time during the calendar year covered by the claim.~~

~~(e) "Claimant" shall not include a resident of a nursing home, intermediate care facility, long-term residential facility, or a facility that accepts housing support payments whose rent constituting property taxes is paid pursuant to the Supplemental Security Income program under title XVI of the Social Security Act, the Minnesota supplemental aid program under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX of the Social Security Act, or the housing support program under chapter 256I.~~

~~If only a portion of the rent constituting property taxes is paid by these programs, the resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as defined in subdivision 3, paragraphs (a) and (b), reduced by the total amount of income from the above sources other than vendor payments under the medical assistance program and the denominator of which is income as defined in subdivision 3, paragraphs (a) and (b), plus vendor payments under the medical assistance program, to determine the allowable refund pursuant to this chapter.~~

~~(d) Notwithstanding paragraph (c), if the claimant was a resident of the nursing home, intermediate care facility, long-term residential facility, or facility for which the rent was paid for the claimant by the housing support program for only a portion of the calendar year covered by the claim, the claimant may compute rent constituting property taxes by disregarding the rent constituting property taxes from the nursing home or facility and use only that amount of rent constituting property taxes or property taxes payable relating to that portion of the year when the claimant was not in the facility. The claimant's household income is the income for the entire calendar year covered by the claim.~~

~~(e) In the case of a claim for rent constituting property taxes of a part-year Minnesota resident, the income and rent reflected in this computation shall be for the period of Minnesota residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue whose decision shall be final. If a homestead property owner was a part-year Minnesota resident, the income reflected in the computation made pursuant to section 290A.04 shall be for the entire calendar year, including income not assignable to Minnesota.~~

~~(f) If a homestead is occupied by two or more renters, who are not married to each other, the rent shall be deemed to be paid equally by each, and separate claims shall be filed by~~

69.1 ~~each. The income of each shall be each renter's household income for purposes of computing~~  
69.2 ~~the amount of credit to be allowed.~~

69.3 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
69.4 and following years.

69.5 Sec. 19. Minnesota Statutes 2022, section 290A.03, subdivision 12, is amended to read:

69.6 Subd. 12. **Gross rent.** (a) "Gross rent" means rent paid for the right of occupancy, at  
69.7 arm's length, of a site on which a homestead, ~~exclusive of charges for any medical services~~  
69.8 ~~furnished by the landlord as a part of the rental agreement, whether expressly set out in the~~  
69.9 ~~rental agreement or not~~ which is a manufactured home is located.

69.10 ~~(b) The gross rent of a resident of a nursing home or intermediate care facility is \$500~~  
69.11 ~~per month. The gross rent of a resident of an adult foster care home is \$780 per month. The~~  
69.12 ~~commissioner shall annually adjust the amounts in this paragraph as provided in section~~  
69.13 ~~270C.22. The statutory year is 2018.~~

69.14 ~~(e)~~ (b) If the landlord and tenant have not dealt with each other at arm's length and the  
69.15 commissioner determines that the gross rent charged was excessive, the commissioner may  
69.16 adjust the gross rent to a reasonable amount for purposes of this chapter.

69.17 ~~(d)~~ (c) Any amount paid by a claimant residing in property assessed pursuant to section  
69.18 273.124, subdivision 3, 4, 5, or 6 for occupancy in that property ~~shall be excluded from~~  
69.19 ~~gross rent for purposes of this chapter. However, property taxes imputed to the homestead~~  
69.20 ~~of the claimant or the dwelling unit occupied by the claimant that qualifies for homestead~~  
69.21 ~~treatment pursuant to section 273.124, subdivision 3, 4, 5, or 6 shall be included within the~~  
69.22 term "property taxes payable" as defined in subdivision 13, to the extent allowed,  
69.23 notwithstanding the fact that ownership is not in the name of the claimant.

69.24 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
69.25 and following years.

69.26 Sec. 20. Minnesota Statutes 2022, section 290A.03, subdivision 13, is amended to read:

69.27 Subd. 13. **Property taxes payable.** "Property taxes payable" means the property tax  
69.28 exclusive of special assessments, penalties, and interest payable on a claimant's homestead  
69.29 after deductions made under sections 273.135, 273.1384, 273.1391, 273.42, subdivision 2,  
69.30 and any other state paid property tax credits in any calendar year, and after any refund  
69.31 claimed and allowable under section 290A.04, subdivision 2h, that is first payable in the  
69.32 year that the property tax is payable. In the case of a claimant who makes ground lease

payments, "property taxes payable" includes the amount of the payments directly attributable to the property taxes assessed against the parcel on which the house is located. Regardless of the limitations in section 280A(c)(5) of the Internal Revenue Code, "property taxes payable" must be apportioned or reduced for the use of a portion of the claimant's homestead for a business purpose if the claimant deducts any business depreciation expenses for the use of a portion of the homestead or deducts expenses under section 280A of the Internal Revenue Code for a business operated in the claimant's homestead. For ~~homesteads which are manufactured homes as defined in section 273.125, subdivision 8, including manufactured homes located in a manufactured home community owned by a cooperative organized under chapter 308A or 308B, and park trailers taxed as manufactured homes under section 168.012, subdivision 9,~~ "property taxes payable" shall also include 17 percent of the gross rent paid in the preceding year for the site on which the homestead is located. When a homestead is owned by two or more persons as joint tenants or tenants in common, such tenants shall determine between them which tenant may claim the property taxes payable on the homestead. If they are unable to agree, the matter shall be referred to the commissioner of revenue whose decision shall be final. Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable," the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable and (i) the property must have been classified as homestead property pursuant to section 273.124, on or before December 15 of the assessment year to which the "property taxes payable" relate; or (ii) the claimant must provide documentation from the local assessor that application for homestead classification has been made on or before December 15 of the year in which the "property taxes payable" were payable and that the assessor has approved the application.

**EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024 and following years.

Sec. 21. Minnesota Statutes 2022, section 290A.03, is amended by adding a subdivision to read:

**Subd. 16. Manufactured home.** "Manufactured home" means homesteads that are manufactured homes as defined in section 273.125, subdivision 8, including manufactured homes located in a manufactured home community owned by a cooperative organized under chapter 308A or 308B, and park trailers taxed as manufactured homes under section 168.012, subdivision 9.

71.1 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
71.2 and following years.

71.3 Sec. 22. Minnesota Statutes 2022, section 290A.04, subdivision 1, is amended to read:

71.4 Subdivision 1. **Refund.** A refund shall be allowed each claimant in the amount that  
71.5 property taxes payable ~~or rent constituting property taxes~~ exceed the percentage of the  
71.6 household income of the claimant specified in subdivision 2 ~~or 2a~~ in the year for which the  
71.7 taxes were levied ~~or in the year in which the rent was paid~~ as specified in subdivision 2 ~~or~~  
71.8 ~~2a~~. If the amount of property taxes payable ~~or rent constituting property taxes~~ is equal to  
71.9 or less than the percentage of the household income of the claimant specified in subdivision  
71.10 2 ~~or 2a~~ in the year for which the taxes were levied ~~or in the year in which the rent was paid~~,  
71.11 the claimant shall not be eligible for a state refund pursuant to this section.

71.12 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
71.13 and following years.

71.14 Sec. 23. Minnesota Statutes 2022, section 290A.04, subdivision 2h, is amended to read:

71.15 Subd. 2h. **Additional refund.** (a) If the gross property taxes payable on a homestead  
71.16 increase more than 12 percent over the property taxes payable in the prior year on the same  
71.17 property that is owned and occupied by the same owner on January 2 of both years, and the  
71.18 amount of that increase is \$100 or more, a claimant who is a homeowner shall be allowed  
71.19 an additional refund equal to 60 percent of the amount of the increase over the greater of  
71.20 12 percent of the prior year's property taxes payable or \$100. This subdivision shall not  
71.21 apply to any increase in the gross property taxes payable attributable to improvements made  
71.22 to the homestead after the assessment date for the prior year's taxes. This subdivision shall  
71.23 not apply to any increase in the gross property taxes payable attributable to the termination  
71.24 of valuation exclusions under section 273.11, subdivision 16.

71.25 The maximum refund allowed under this subdivision is \$1,000.

71.26 (b) For purposes of this subdivision "gross property taxes payable" means property taxes  
71.27 payable determined without regard to the refund allowed under this subdivision.

71.28 (c) In addition to the other proofs required by this chapter, each claimant under this  
71.29 subdivision shall file with the property tax refund return a copy of the property tax statement  
71.30 for taxes payable in the preceding year or other documents required by the commissioner.

71.31 (d) Upon request, the appropriate county official shall make available the names and  
71.32 addresses of the property taxpayers who may be eligible for the additional property tax

refund under this section. The information shall be provided ~~on a magnetic computer disk~~  
electronically. The county may recover its costs by charging the person requesting the  
information the reasonable cost for preparing the data. The information may not be used  
for any purpose other than for notifying the homeowner of potential eligibility and assisting  
the homeowner, without charge, in preparing a refund claim.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 24. Minnesota Statutes 2022, section 290A.04, subdivision 5, is amended to read:

Subd. 5. ~~Combined renter and homeowner refund~~ Homeowner refund and renter's  
credit. ~~In the case of a claimant who is entitled to a refund in a calendar year for claims~~  
~~based both on rent constituting property taxes and property taxes payable, the refund~~  
~~allowable equals the sum of the refunds allowable.~~ A claimant is allowed to make a claim  
for refund under this chapter in addition to any credit the claimant is eligible for under  
section 290.0693.

**EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
and following years.

Sec. 25. Minnesota Statutes 2022, section 290A.05, is amended to read:

**290A.05 COMBINED HOUSEHOLD INCOME; RENTAL AGREEMENTS AND**  
**REDUCTION OF PROPERTY TAXES PAYABLE.**

(a) If a person occupies a homestead with another person not related to the person as  
the person's spouse, excluding dependents, roomers or boarders on contract, and has property  
tax payable with respect to the homestead, the household income of the claimant or claimants  
for the purpose of computing the refund allowed by section 290A.04 shall include the total  
income received by the other persons residing in the homestead. For purposes of this section,  
"dependent" includes a parent of the claimant or spouse who lives in the claimant's homestead  
and does not have an ownership interest in the homestead.

(b) If a person occupies a homestead with another person or persons not related to the  
person as the person's spouse or as dependents, ~~the property tax payable or rent constituting~~  
~~property tax shall be reduced as follows.~~

~~If and~~ the other person or persons are residing at the homestead under a rental or lease  
agreement with the homeowner, the amount of property tax payable ~~or rent constituting~~  
~~property tax shall be~~ equals that portion not covered by the rental agreement.



73.1 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
73.2 and property taxes payable in 2024, and following years.

73.3 Sec. 26. Minnesota Statutes 2022, section 290A.07, subdivision 2a, is amended to read:

73.4 Subd. 2a. **Time of payment to renter or manufactured home homeowner.** A claimant  
73.5 who is a ~~renter or~~ a homeowner who occupies a manufactured home, as defined in section  
73.6 273.125, subdivision 8, paragraph (c), or a park trailer taxed as a manufactured home under  
73.7 section 168.012, subdivision 9, shall receive full payment after August 1 and before August  
73.8 15 or 60 days after receipt of the application, whichever is later.

73.9 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
73.10 and following years.

73.11 Sec. 27. Minnesota Statutes 2022, section 290A.08, is amended to read:

73.12 **290A.08 ONE CLAIMANT PER HOUSEHOLD.**

73.13 Only one claimant per household per year is entitled to relief under this chapter. Payment  
73.14 of the claim for relief may be made payable to the spouses as one claimant. The  
73.15 commissioner, upon written request, may issue separate checks, to the spouses for one-half  
73.16 of the relief provided the original check has not been issued or has been returned. Individuals  
73.17 related as spouses who were married during the year may elect to file a joint claim which  
73.18 shall include each spouse's income, ~~rent constituting property taxes,~~ and property taxes  
73.19 payable. Spouses who were married for the entire year and were domiciled in the same  
73.20 household for the entire year must file a joint claim. The maximum dollar amount allowable  
73.21 for a joint claim shall not exceed the amount that one person could receive.

73.22 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
73.23 and following years.

73.24 Sec. 28. Minnesota Statutes 2022, section 290A.09, is amended to read:

73.25 **290A.09 PROOF OF CLAIM.**

73.26 (a) Every claimant shall supply to the commissioner of revenue, in support of the claim,  
73.27 proof of eligibility under this chapter, including but not limited to amount of ~~rent paid or~~  
73.28 ~~property taxes accrued, name and address of owner or managing agent of property rented,~~  
73.29 changes in homestead, household membership, household income, size and nature of property  
73.30 claimed as a homestead.

(b) For manufactured homes, every claimant shall supply to the commissioner of revenue the name and address of the owner or managing agent of the property rented.

(c) Persons with a disability filing claims shall submit proof of disability in the form and manner as the commissioner may prescribe. The department may require examination and certification by the claimant's physician or by a physician designated by the commissioner. The cost of any examination shall be borne by the claimant, unless the examination proves the disability, in which case the cost of the examination shall be borne by the commissioner.

(d) A determination of disability of a claimant by the Social Security Administration under Title II or Title XVI of the Social Security Act shall constitute presumptive proof of disability.

**EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024 and following years.

Sec. 29. Minnesota Statutes 2022, section 290A.091, is amended to read:

**290A.091 CLAIMS OF TENANTS IN LEASEHOLD COOPERATIVES.**

The cooperative manager of a leasehold cooperative shall furnish a statement to each tenant by March 31 of the year in which the property tax is payable showing each unit's share of the gross property tax and each unit's share of any property tax credits. Each tenant may apply for a property tax refund under this chapter as a homeowner based on each tenant's share of property taxes. The tenant may not ~~include any rent constituting property taxes paid on that unit~~ claim the renter's credit under section 290.0693. For the purposes of this section, a leasehold cooperative is formed on the day that leasehold cooperative status is granted by the appropriate county official.

**EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024 and following years.

Sec. 30. Minnesota Statutes 2022, section 290A.13, is amended to read:

**290A.13 NO RELIEF ALLOWED IN CERTAIN CASES.**

No claim for relief under this chapter shall be allowed if the commissioner determines that the claimant received title ~~or tenancy~~ to the homestead primarily for the purpose of receiving benefits under this chapter and not for bona fide residence purposes.

**EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024 and following years.

Sec. 31. Minnesota Statutes 2022, section 290A.19, is amended to read:

**290A.19 OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE.**

(a) The park owner ~~or managing agent of any~~ of a property for which rent is paid for occupancy as a homestead must furnish a certificate of rent paid to a person who is a renter on December 31, in the form prescribed by the commissioner. If the renter moves before December 31, the park owner ~~or managing agent~~ may give the certificate to the renter at the time of moving, or mail the certificate to the forwarding address if an address has been provided by the renter. The certificate must be made available to the renter before February 1 of the year following the year in which the rent was paid. The park owner ~~or managing agent~~ must retain a duplicate of each certificate or an equivalent record showing the same information for a period of three years. The duplicate or other record must be made available to the commissioner upon request.

(b) The commissioner may require the park owner ~~or managing agent~~, through a simple process, to furnish to the commissioner on or before March 1 a copy of each certificate of rent paid furnished to a renter for rent paid in the prior year. The commissioner shall prescribe the content, format, and manner of the form pursuant to section 270C.30. The commissioner may require the Social Security number, individual taxpayer identification number, federal employer identification number, or Minnesota taxpayer identification number of the park owner who is required to furnish a certificate of rent paid under this paragraph. Prior to implementation, the commissioner, after consulting with representatives of park owners ~~or managing agents~~, shall develop an implementation and administration plan for the requirements of this paragraph that attempts to minimize financial burdens, administration and compliance costs, and takes into consideration existing systems of park owners ~~and managing agents~~.

(c) For the purposes of this section, ~~"owner" includes~~ "park owner" means a park owner as defined under section 327C.015, subdivision 9, and "property" includes a lot as defined under section 327C.015, subdivision 6.

**EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024 and following years.

Sec. 32. Minnesota Statutes 2022, section 290A.25, is amended to read:

**290A.25 VERIFICATION OF SOCIAL SECURITY NUMBERS.**

Annually, the commissioner of revenue shall furnish a list to the county assessor containing the names and Social Security numbers of persons who have applied for both

76.1 homestead classification under section 273.13 and a ~~property tax refund as a renter under~~  
76.2 ~~this chapter~~ renter's credit under section 290.0693.

76.3 Within 90 days of the notification, the county assessor shall investigate to determine if  
76.4 the homestead classification was improperly claimed. If the property owner does not qualify,  
76.5 the county assessor shall notify the county auditor who will determine the amount of  
76.6 homestead benefits that has been improperly allowed. For the purpose of this section,  
76.7 "homestead benefits" has the meaning given in section 273.124, subdivision 13b. The county  
76.8 auditor shall send a notice to persons who owned the affected property at the time the  
76.9 homestead application related to the improper homestead was filed, demanding  
76.10 reimbursement of the homestead benefits plus a penalty equal to 100 percent of the homestead  
76.11 benefits. The person notified may appeal the county's determination with the Minnesota  
76.12 Tax Court within 60 days of the date of the notice from the county as provided in section  
76.13 273.124, subdivision 13b.

76.14 If the amount of homestead benefits and penalty is not paid within 60 days, and if no  
76.15 appeal has been filed, the county auditor shall certify the amount of taxes and penalty to  
76.16 the county treasurer. The county treasurer will add interest to the unpaid homestead benefits  
76.17 and penalty amounts at the rate provided for delinquent personal property taxes for the  
76.18 period beginning 60 days after demand for payment was made until payment. If the person  
76.19 notified is the current owner of the property, the treasurer may add the total amount of  
76.20 benefits, penalty, interest, and costs to the real estate taxes otherwise payable on the property  
76.21 in the following year. If the person notified is not the current owner of the property, the  
76.22 treasurer may collect the amounts due under the Revenue Recapture Act in chapter 270A,  
76.23 or use any of the powers granted in sections 277.20 and 277.21 without exclusion, to enforce  
76.24 payment of the benefits, penalty, interest, and costs, as if those amounts were delinquent  
76.25 tax obligations of the person who owned the property at the time the application related to  
76.26 the improperly allowed homestead was filed. The treasurer may relieve a prior owner of  
76.27 personal liability for the benefits, penalty, interest, and costs, and instead extend those  
76.28 amounts on the tax lists against the property for taxes payable in the following year to the  
76.29 extent that the current owner agrees in writing.

76.30 Any amount of homestead benefits recovered by the county from the property owner  
76.31 shall be distributed to the county, city or town, and school district where the property is  
76.32 located in the same proportion that each taxing district's levy was to the total of the three  
76.33 taxing districts' levy for the current year. Any amount recovered attributable to taconite  
76.34 homestead credit shall be transmitted to the St. Louis County auditor to be deposited in the  
76.35 taconite property tax relief account. Any amount recovered that is attributable to supplemental

77.1 homestead credit is to be transmitted to the commissioner of revenue for deposit in the  
77.2 general fund of the state treasury. The total amount of penalty collected must be deposited  
77.3 in the county general fund.

77.4 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
77.5 and following years.

77.6 Sec. 33. Minnesota Statutes 2022, section 327C.02, subdivision 5, is amended to read:

77.7 Subd. 5. **Written notice required.** A prospective resident, before being asked to sign  
77.8 a rental agreement, must be given the following notice printed verbatim in boldface type  
77.9 of a minimum size of ten points. The notice must be provided with the park residency  
77.10 application. The notice must be posted in a conspicuous and public location in the park:

77.11 "IMPORTANT NOTICE

77.12 State law provides special rules for the owners, residents, and prospective residents of  
77.13 manufactured home parks.

77.14 You may keep your home in the park as long as the park is in operation and you meet  
77.15 your financial obligations, obey state and local laws which apply to the park, obey reasonable  
77.16 park rules, do not substantially annoy or endanger the other residents or substantially  
77.17 endanger park personnel and do not substantially damage the park premises. You may not  
77.18 be evicted or have your rent increased or your services cut for complaining to the park owner  
77.19 or to a governmental official.

77.20 If you receive an eviction notice and do not leave the park, the park owner may take you  
77.21 to court. If you lose in court, a sheriff may remove you and your home from the park within  
77.22 seven days. Or, the court may require you to leave the park within seven days but give you  
77.23 60 days to sell the home within the park.

77.24 If you receive an eviction notice for a new or amended rule and the court finds the rule  
77.25 to be reasonable and not a substantial modification of your original agreement, the court  
77.26 will not order you to leave but will order you to comply with the rule within ten days. If  
77.27 you do not comply within the time given or if you violate the rule at a later time, you will  
77.28 be subject to eviction.

77.29 All park rules and policies must be reasonable. Your rent may not be increased more  
77.30 than twice a year. Changes made in park rules after you become a park resident will not  
77.31 apply to you if they substantially change your original agreement.

77.32 The park may not charge you an entrance fee.

78.1 The park may require a security deposit, but the deposit must not amount to more than  
78.2 two months rent.

78.3 You have a right to sell the home in the park. But the sale is not final until the park  
78.4 owner approves the buyer as a new resident, and you must advise in writing anyone who  
78.5 wants to buy your home that the sale is subject to final approval by the park owner.

78.6 The park must provide to you, in writing, the procedures and criteria used to evaluate a  
78.7 prospective resident. If your application is denied, you can request, in writing, the reason  
78.8 why.

78.9 You must also disclose in writing certain safety information about your home to anyone  
78.10 who wants to buy it in the park. You must give this information to the buyer before the sale,  
78.11 in writing, on the form that is attached to this notice. You must completely and accurately  
78.12 fill out the form and you and the buyer should each keep a copy.

78.13 Your rental agreement and the park rules contain important information about your rights  
78.14 and duties. Read them carefully and keep a copy.

78.15 You must be given a copy of the shelter or evacuation plan for the park. This document  
78.16 contains information on where to seek shelter in times of severe weather conditions. You  
78.17 should carefully review the plan and keep a copy.

78.18 By February 1 of each year, the park must give you a certificate of rent ~~constituting~~  
78.19 ~~property taxes paid~~ as required by ~~Minnesota Statutes, section~~ sections 290.0693, subdivision  
78.20 4, and 290A.19.

78.21 For further information concerning your rights, consult a private attorney. The state law  
78.22 governing the rental of lots in manufactured home parks may also be enforced by the  
78.23 Minnesota Attorney General."

78.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

78.25 Sec. 34. Minnesota Statutes 2022, section 462A.05, subdivision 24, is amended to read:

78.26 Subd. 24. **Housing for elderly, persons with physical or developmental disabilities,**  
78.27 **and single parent families.** (a) It may engage in housing programs for low- and  
78.28 moderate-income elderly, persons with physical or developmental disabilities, or single  
78.29 parent families in the case of home sharing programs, as defined by the agency, to provide  
78.30 grants or loans, with or without interest, for:

78.31 (1) accessibility improvements to residences occupied by elderly persons;

(2) housing sponsors, as defined by the agency, of home sharing programs to match existing homeowners with prospective tenants who will contribute either rent or services to the homeowner, where either the homeowner or the prospective tenant is elderly, a person with physical or developmental disabilities, or the head of a single parent family;

(3) the construction of or conversion of existing buildings into structures for occupancy by the elderly that contain from three to 12 private sleeping rooms with shared cooking facilities and common space; and

(4) housing sponsors, as defined by the agency, to demonstrate the potential for home equity conversion in Minnesota for the elderly, in both rural and urban areas, and to determine the need in those equity conversions for consumer safeguards.

(b) In making the grants or loans, the agency shall determine the terms and conditions of repayment and the appropriate security, if any, should repayment be required. The agency may provide technical assistance to sponsors of home sharing programs or may contract or delegate the provision of the technical assistance in accordance with section 462A.07, subdivision 12.

(c) Housing sponsors who receive funding through these programs shall provide homeowners and tenants participating in a home sharing program with information regarding their rights and obligations as they relate to federal and state tax law including, but not limited to, taxable rental income, homestead classification under chapter 273, the renter's credit under section 290.0693, and the property tax refund act under chapter 290A.

**EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024 and following years.

Sec. 35. **REPEALER.**

Minnesota Statutes 2022, sections 290A.03, subdivisions 9 and 11; 290A.04, subdivision 2a; and 290A.23, subdivision 1, are repealed.

**EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024 and following years.

## ARTICLE 5

## TAX INCREMENT FINANCING

Section 1. Minnesota Statutes 2022, section 469.174, subdivision 14, is amended to read:

Subd. 14. **Administrative expenses.** (a) "Administrative expenses" or "administrative costs" means all documented expenditures of an authority other than or municipality, including but not limited to:

(1) amounts paid for services provided by bond counsel, fiscal consultants, and economic development consultants;

(2) allocated expenses and staff time of the authority or municipality for administering a project, including but not limited to preparing the tax increment financing plan, negotiating and preparing agreements, accounting for segregated funds of the district, preparing and submitting required reporting for the district, and reviewing and monitoring compliance with sections 469.174 to 469.1794;

(3) amounts paid to publish annual disclosures and provide notices under section 469.175;

(4) amounts to provide for the usual and customary maintenance and operation of properties purchased with tax increments, including necessary reserves for repairs and the cost of any insurance;

(5) amounts allocated or paid to prepare a development action response plan for a soils condition district or hazardous substance subdistrict; and

(6) amounts used to pay bonds, interfund loans, or other financial obligations to the extent those obligations were used to finance costs described in clauses (1) to (5).

(b) Administrative expenses and administrative costs do not include:

(1) amounts paid for the purchase of land and buildings;

(2) amounts paid to contractors or others providing materials and services, including architectural and engineering services, directly connected with the physical development of the real property in the project, including architectural and engineering services and materials and services for demolition, soil correction, and the construction or installation of public improvements;

(3) relocation benefits paid to or services provided for persons residing or businesses located in the project;

~~(4) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount bonds issued pursuant to section 469.178; or~~



81.1 ~~(5)~~ (4) amounts paid for property taxes or payments in lieu of taxes; and

81.2 (5) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount  
81.3 bonds issued pursuant to section 469.178 or other financial obligations to the extent those  
81.4 obligations were used to finance costs described in clauses (1) to ~~(3)~~ (4).

81.5 ~~For districts for which the requests for certifications were made before August 1, 1979,~~  
81.6 ~~or after June 30, 1982, "administrative expenses" includes amounts paid for services provided~~  
81.7 ~~by bond counsel, fiscal consultants, and planning or economic development consultants.~~

81.8 This definition does not apply to administrative expenses or administrative costs referenced  
81.9 under section 469.176, subdivision 4h.

81.10 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
81.11 applies to all districts, regardless of when the request for certification was made.

81.12 Sec. 2. Minnesota Statutes 2022, section 469.174, is amended by adding a subdivision to  
81.13 read:

81.14 Subd. 30. **Pay-as-you-go contract and note.** "Pay-as-you-go contract and note" means  
81.15 a written note or contractual obligation under which all of the following apply:

81.16 (1) the note or contractual obligation evidences an authority's commitment to reimburse  
81.17 a developer, property owner, or note holder for the payment of costs of activities, including  
81.18 any interest on unreimbursed costs;

81.19 (2) the reimbursement is made from tax increment revenues identified in the note or  
81.20 contractual obligation as received by a municipality or authority as taxes are paid; and

81.21 (3) the risk that available tax increments may be insufficient to fully reimburse the costs  
81.22 is borne by the developer, property owner, or note holder.

81.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

81.24 Sec. 3. Minnesota Statutes 2022, section 469.175, subdivision 6, is amended to read:

81.25 Subd. 6. **Annual financial reporting.** (a) The state auditor shall develop a uniform  
81.26 system of accounting and financial reporting for tax increment financing districts. The  
81.27 system of accounting and financial reporting shall, as nearly as possible:

81.28 (1) provide for full disclosure of the sources and uses of tax increments of the district;

81.29 (2) permit comparison and reconciliation with the affected local government's accounts  
81.30 and financial reports;

82.1 (3) permit auditing of the funds expended on behalf of a district, including a single  
82.2 district that is part of a multidistrict project or that is funded in part or whole through the  
82.3 use of a development account funded with tax increments from other districts or with other  
82.4 public money;

82.5 (4) be consistent with generally accepted accounting principles.

82.6 (b) The authority must annually submit to the state auditor a financial report in compliance  
82.7 with paragraph (a). Copies of the report must also be provided to the county auditor and to  
82.8 the governing body of the municipality, if the authority is not the municipality. To the extent  
82.9 necessary to permit compliance with the requirement of financial reporting, the county and  
82.10 any other appropriate local government unit or private entity must provide the necessary  
82.11 records or information to the authority or the state auditor as provided by the system of  
82.12 accounting and financial reporting developed pursuant to paragraph (a). The authority must  
82.13 submit the annual report for a year on or before August 1 of the next year.

82.14 (c) The annual financial report must also include the following items:

82.15 (1) the original net tax capacity of the district and any subdistrict under section 469.177,  
82.16 subdivision 1;

82.17 (2) the net tax capacity for the reporting period of the district and any subdistrict;

82.18 (3) the captured net tax capacity of the district;

82.19 (4) any fiscal disparity deduction from the captured net tax capacity under section  
82.20 469.177, subdivision 3;

82.21 (5) the captured net tax capacity retained for tax increment financing under section  
82.22 469.177, subdivision 2, paragraph (b), clause (1);

82.23 (6) any captured net tax capacity distributed among affected taxing districts under section  
82.24 469.177, subdivision 2, paragraph (b), clause (2);

82.25 (7) the type of district;

82.26 (8) the date the municipality approved the tax increment financing plan and the date of  
82.27 approval of any modification of the tax increment financing plan, the approval of which  
82.28 requires notice, discussion, a public hearing, and findings under subdivision 4, paragraph  
82.29 (a);

82.30 (9) the date the authority first requested certification of the original net tax capacity of  
82.31 the district and the date of the request for certification regarding any parcel added to the  
82.32 district;

83.1 (10) the date the county auditor first certified the original net tax capacity of the district  
83.2 and the date of certification of the original net tax capacity of any parcel added to the district;

83.3 (11) the ~~month and~~ year in which the authority has received or anticipates it will receive  
83.4 the first increment from the district;

83.5 (12) the date the district must be decertified;

83.6 (13) for the reporting period and prior years of the district, the actual amount received  
83.7 from, at least, the following categories:

83.8 (i) tax increments paid by the captured net tax capacity retained for tax increment  
83.9 financing under section 469.177, subdivision 2, paragraph (b), clause (1), but excluding any  
83.10 excess taxes;

83.11 (ii) tax increments that are interest or other investment earnings on or from tax increments;

83.12 (iii) tax increments that are proceeds from the sale or lease of property, tangible or  
83.13 intangible, purchased by the authority with tax increments;

83.14 (iv) tax increments that are repayments of loans or other advances made by the authority  
83.15 with tax increments;

83.16 (v) bond proceeds; and

83.17 (vi) the agricultural homestead market value credit paid to the authority under section  
83.18 273.1384;

83.19 (14) for the reporting period and for the prior years of the district, the actual amount  
83.20 expended for, at least, the following categories:

83.21 (i) acquisition of land and buildings through condemnation or purchase;

83.22 (ii) site improvements or preparation costs;

83.23 (iii) installation of public utilities, parking facilities, streets, roads, sidewalks, or other  
83.24 similar public improvements;

83.25 (iv) administrative costs, including the allocated cost of the authority; and

83.26 (v) for housing districts, construction of affordable housing;

83.27 (15) the amount of any payments for activities and improvements located outside of the  
83.28 district that are paid for or financed with tax increments;

83.29 (16) the amount of payments of principal and interest that are made during the reporting  
83.30 period on any nondefeased:

- 84.1 (i) general obligation tax increment financing bonds; and
- 84.2 (ii) other tax increment financing bonds, including pay-as-you-go contracts and notes;
- 84.3 (17) the principal amount, at the end of the reporting period, of any nondefeased:
- 84.4 (i) general obligation tax increment financing bonds; and
- 84.5 (ii) other tax increment financing bonds, including pay-as-you-go contracts and notes;
- 84.6 (18) the amount of principal and interest payments that are due for the current calendar
- 84.7 year on any nondefeased:
- 84.8 (i) general obligation tax increment financing bonds; and
- 84.9 (ii) other tax increment financing bonds, including pay-as-you-go contracts and notes;
- 84.10 (19) if the fiscal disparities contribution under chapter 276A or 473F for the district is
- 84.11 computed under section 469.177, subdivision 3, paragraph (a), the amount of total increased
- 84.12 property taxes to be paid from outside the tax increment financing district; and
- 84.13 (20) any additional information the state auditor may require.
- 84.14 (d) The reporting requirements imposed by this subdivision apply to districts certified
- 84.15 before, on, and after August 1, 1979.

84.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

84.17 Sec. 4. Minnesota Statutes 2022, section 469.176, subdivision 3, is amended to read:

84.18 Subd. 3. **Limitation on administrative expenses.** (a) For districts for which certification

84.19 was requested before August 1, 2001, no tax increment shall be used to pay any

84.20 administrative expenses for a project which exceed ten percent of the total estimated tax

84.21 increment expenditures authorized by the tax increment financing plan or ten percent of the

84.22 total tax increment expenditures for the project net of any amounts returned to the county

84.23 auditor as excess increment; as returned increment under section 469.1763, subdivision 4,

84.24 paragraph (g); or as remedies under section 469.1771, subdivision 2, whichever is less.

84.25 (b) For districts for which certification was requested after July 31, 2001, no tax increment

84.26 may be used to pay any administrative expenses for a project which exceed ten percent of

84.27 total estimated tax increment expenditures authorized by the tax increment financing plan

84.28 or ten percent of the total tax increments, as defined in section 469.174, subdivision 25,

84.29 clause (1), from received for the district net of any amounts returned to the county auditor

84.30 as excess increment; as returned increment under section 469.1763, subdivision 4, paragraph

84.31 (g); or as remedies under section 469.1771, subdivision 2, whichever is less.

85.1 (c) Increments used to pay the county's administrative expenses under subdivision 4h  
85.2 are not subject to the percentage limits in this subdivision.

85.3 (d) Increments defined under section 469.174, subdivision 25, clause (2), used for  
85.4 administrative expenses described under section 469.174, subdivision 14, paragraph (a),  
85.5 clause (4), are not subject to the percentage limits in this subdivision.

85.6 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
85.7 applies to all districts, regardless of when the request for certification was made.

85.8 Sec. 5. Minnesota Statutes 2022, section 469.176, subdivision 4, is amended to read:

85.9 Subd. 4. **Limitation on use of tax increment; general rule.** All revenues derived from  
85.10 tax increment shall be used in accordance with the tax increment financing plan. The revenues  
85.11 shall be used solely for the following purposes: (1) to pay the principal of and interest on  
85.12 bonds issued to finance a project; (2) by a rural development financing authority for the  
85.13 purposes stated in section 469.142; by a port authority or municipality exercising the powers  
85.14 of a port authority to finance or otherwise pay the cost of redevelopment pursuant to sections  
85.15 469.048 to 469.068; by an economic development authority to finance or otherwise pay  
85.16 the cost of redevelopment pursuant to sections 469.090 to 469.108; by a housing and  
85.17 redevelopment authority or economic development authority to finance or otherwise pay  
85.18 public redevelopment costs pursuant to sections 469.001 to 469.047; by a municipality or  
85.19 economic development authority to finance or otherwise pay the capital and administration  
85.20 costs of a development district pursuant to sections 469.124 to 469.133; by a municipality  
85.21 or authority to finance or otherwise pay the costs of developing and implementing a  
85.22 development action response plan; by a municipality or redevelopment agency to finance  
85.23 or otherwise pay premiums for insurance or other security guaranteeing the payment when  
85.24 due of principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to  
85.25 469.165, or both, or to accumulate and maintain a reserve securing the payment when due  
85.26 of the principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to  
85.27 469.165, or both, which revenues in the reserve shall not exceed, subsequent to the fifth  
85.28 anniversary of the date of issue of the first bond issue secured by the reserve, an amount  
85.29 equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased  
85.30 bonds secured by the reserve; and (3) to pay administrative expenses.

85.31 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
85.32 applies to all districts, regardless of when the request for certification was made.

Sec. 6. Minnesota Statutes 2022, section 469.1761, subdivision 1, is amended to read:

Subdivision 1. **Requirement imposed.** (a) In order for a tax increment financing district to qualify as a housing district:

(1) the income limitations provided in this section must be satisfied if the district is located either in a metropolitan county as defined by section 473.121, subdivision 4, or in a city with a population greater than 50,000; and

(2) no more than 20 percent of the square footage of buildings that receive assistance from tax increments may consist of commercial, retail, or other nonresidential uses.

(b) The requirements imposed by this section apply to property receiving assistance financed with tax increments, including interest reduction, land transfers at less than the authority's cost of acquisition, utility service or connections, roads, parking facilities, or other subsidies. The provisions of this section do not apply to districts located in a targeted area as defined in section 462C.02, subdivision 9, clause (e).

(c) For purposes of the requirements of paragraph (a), the authority may elect to treat an addition to an existing structure as a separate building if:

(1) construction of the addition begins more than three years after construction of the existing structure was completed; and

(2) for an addition that does not meet the requirements of paragraph (a), clause (2), if it is treated as a separate building, the addition was not contemplated by the tax increment financing plan which includes the existing structure.

Sec. 7. Minnesota Statutes 2022, section 469.1763, subdivision 2, is amended to read:

Subd. 2. **Expenditures outside district.** (a) For each tax increment financing district, an amount equal to at least 75 percent of the total revenue derived from tax increments paid by properties in the district must be expended on activities in the district or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities in the district or to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other than redevelopment districts for which the request for certification was made after June 30, 1995, the in-district percentage for purposes of the preceding sentence is 80 percent. Not more than 25 percent of the total revenue derived from tax increments paid by properties in the district may be expended, through a development fund or otherwise, on activities outside of the district but within the defined geographic area of the project except to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other than redevelopment districts for which the request for certification was made after June 30, 1995,

87.1 the pooling percentage for purposes of the preceding sentence is 20 percent. The revenues  
87.2 derived from tax increments paid by properties in the district that are expended on costs  
87.3 under section 469.176, subdivision 4h, ~~paragraph (b)~~, may be deducted first before calculating  
87.4 the percentages that must be expended within and without the district.

87.5 (b) In the case of a housing district, a housing project, as defined in section 469.174,  
87.6 subdivision 11, is an activity in the district.

87.7 (c) All administrative expenses are considered to be expenditures for activities outside  
87.8 of the district, except that if the only expenses for activities outside of the district under this  
87.9 subdivision are for the purposes described in paragraph (d), administrative expenses will  
87.10 be considered as expenditures for activities in the district.

87.11 (d) The authority may elect, in the tax increment financing plan for the district, to increase  
87.12 by up to ten percentage points the permitted amount of expenditures for activities located  
87.13 outside the geographic area of the district under paragraph (a). As permitted by section  
87.14 469.176, subdivision 4k, the expenditures, including the permitted expenditures under  
87.15 paragraph (a), need not be made within the geographic area of the project. Expenditures  
87.16 that meet the requirements of this paragraph are legally permitted expenditures of the district,  
87.17 notwithstanding section 469.176, subdivisions 4b, 4c, and 4j. To qualify for the increase  
87.18 under this paragraph, the expenditures must:

87.19 (1) be used exclusively to assist housing that meets the requirement for a qualified  
87.20 low-income building, as that term is used in section 42 of the Internal Revenue Code; and

87.21 (2) not exceed the qualified basis of the housing, as defined under section 42(c) of the  
87.22 Internal Revenue Code, less the amount of any credit allowed under section 42 of the Internal  
87.23 Revenue Code; and

87.24 (3) be used to:

87.25 (i) acquire and prepare the site of the housing;

87.26 (ii) acquire, construct, or rehabilitate the housing; or

87.27 (iii) make public improvements directly related to the housing; or

87.28 (4) be used to develop housing:

87.29 (i) if the market value of the housing does not exceed the lesser of:

87.30 (A) 150 percent of the average market value of single-family homes in that municipality;

87.31 or

(B) \$200,000 for municipalities located in the metropolitan area, as defined in section 473.121, or \$125,000 for all other municipalities; and

(ii) if the expenditures are used to pay the cost of site acquisition, relocation, demolition of existing structures, site preparation, and pollution abatement on one or more parcels, if the parcel contains a residence containing one to four family dwelling units that has been vacant for six or more months and is in foreclosure as defined in section 325N.10, subdivision 7, but without regard to whether the residence is the owner's principal residence, and only after the redemption period has expired; or

(5) to assist owner-occupied housing that meets the requirements of section 469.1761, subdivision 2.

(e) The authority under paragraph (d), clause (4), expires on December 31, 2016. Increments may continue to be expended under this authority after that date, if they are used to pay bonds or binding contracts that would qualify under subdivision 3, paragraph (a), if December 31, 2016, is considered to be the last date of the five-year period after certification under that provision.

(f) For purposes of determining whether the minimum percentage of expenditures for activities in the district and maximum percentages of expenditures allowed on activities outside the district have been met under this subdivision, any amounts returned to the county auditor as excess increment, as returned increment under subdivision 4, paragraph (g), or as remedies under section 469.1771, subdivision 2, shall first be subtracted from the total revenues derived from tax increments paid by properties in the district. Any other amounts returned to the county auditor for purposes other than a remedy under section 469.1771, subdivision 3, are considered to be expenditures for activities in the district.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to all districts with a request for certification date after April 30, 1990, except that paragraph (f) shall apply to districts decertifying after December 31, 2023.

Sec. 8. Minnesota Statutes 2022, section 469.1763, subdivision 3, is amended to read:

Subd. 3. **Five-year rule.** (a) Revenues derived from tax increments paid by properties in the district ~~that are considered to have been~~ expended on an activity within the district ~~under~~ will instead be considered to have been expended on an activity outside the district for purposes of subdivision 2 only if one of the following occurs unless:

(1) before or within five years after certification of the district, the revenues are actually paid to a third party with respect to the activity;



(2) bonds, the proceeds of which must be used to finance the activity, are issued and sold to a third party before or within five years after certification of the district, the revenues are spent to repay the bonds, and the proceeds of the bonds either are, on the date of issuance, reasonably expected to be spent before the end of the later of (i) the five-year period, or (ii) a reasonable temporary period within the meaning of the use of that term under section 148(c)(1) of the Internal Revenue Code, or are deposited in a reasonably required reserve or replacement fund;

(3) binding contracts with a third party are entered into for performance of the activity before or within five years after certification of the district and the revenues are spent under the contractual obligation;

(4) costs with respect to the activity are paid before or within five years after certification of the district and the revenues are spent to reimburse a party for payment of the costs, including interest on unreimbursed costs; or

~~(5) expenditures are made~~ revenues are spent for housing purposes as permitted described by subdivision 2, ~~paragraphs~~ paragraph (b) ~~and (d), or for public infrastructure purposes within a zone as permitted by subdivision 2, paragraph (e).~~

(b) For purposes of this subdivision, bonds include subsequent refunding bonds if the original refunded bonds meet the requirements of paragraph (a), clause (2).

(c) For a redevelopment district or a renewal and renovation district certified after June 30, 2003, and before April 20, 2009, the five-year periods described in paragraph (a) are extended to ten years after certification of the district. For a redevelopment district certified after April 20, 2009, and before June 30, 2012, the five-year periods described in paragraph (a) are extended to eight years after certification of the district. This extension is provided primarily to accommodate delays in development activities due to unanticipated economic circumstances.

(d) For a redevelopment district that was certified after December 31, 2017, and before June 30, 2020, the five-year periods described in paragraph (a) are extended to eight years after certification of the district.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to all districts with a request for certification date after April 30, 1990.

Sec. 9. Minnesota Statutes 2022, section 469.1763, subdivision 4, is amended to read:

**Subd. 4. Use of revenues for decertification.** ~~(a) In each year beginning with the sixth year following certification of the district, or beginning with the ninth year following~~

~~certification of the district for districts whose five-year rule is extended to eight years under subdivision 3, paragraph (d), if the applicable in-district percent of the revenues derived from tax increments paid by properties in the district exceeds the amount of expenditures that have been made for costs permitted under subdivision 3, an amount equal to the difference between the in-district percent of the revenues derived from tax increments paid by properties in the district and the amount of expenditures that have been made for costs permitted under subdivision 3 must be used and only used to pay or defease the following or be set aside to pay the following:~~

~~(1) outstanding bonds, as defined in subdivision 3, paragraphs (a), clause (2), and (b);~~

~~(2) contracts, as defined in subdivision 3, paragraph (a), clauses (3) and (4);~~

~~(3) credit enhanced bonds to which the revenues derived from tax increments are pledged, but only to the extent that revenues of the district for which the credit enhanced bonds were issued are insufficient to pay the bonds and to the extent that the increments from the applicable pooling percent share for the district are insufficient; or~~

~~(4) the amount provided by the tax increment financing plan to be paid under subdivision 2, paragraphs (b), (d), and (e).~~

~~(b) The~~ (a) Beginning with the sixth year following certification of the district, or beginning with the year following the extended period for districts whose five-year period is extended under subdivision 3, paragraphs (c) and (d), a district must be decertified and the pledge of tax increment discharged when the outstanding bonds have been defeased and when sufficient money has been set aside to pay, based on the product of the applicable in-district percentage multiplied by the increment to be cumulative revenues derived from tax increments paid by properties in the district that have been collected through the end of the calendar year, equals or exceeds an amount sufficient to pay the following amounts:

~~(1) contractual~~ any costs and obligations as defined described in subdivision 3, paragraph paragraphs (a), clauses (3) and (4); and (b), excluding those under a qualifying pay-as-you-go contract and note;

~~(2) the amount specified in the tax increment financing plan for activities qualifying under subdivision 2, paragraph (b), that have not been funded with the proceeds of bonds qualifying under paragraph (a), clause (1); and~~

~~(3) the additional expenditures permitted by the tax increment financing plan for housing activities under an election under subdivision 2, paragraph (d), that have not been funded with the proceeds of bonds qualifying under paragraph (a), clause (1).~~

91.1 (2) any accrued interest on the costs and obligations in clause (1), payable in accordance  
91.2 with the terms thereof; and

91.3 (3) any administrative expenses falling within the exception in subdivision 2, paragraph  
91.4 (c).

91.5 (b) For districts with an outstanding qualifying pay-as-you-go contract and note, the  
91.6 required decertification under paragraph (a) is deferred until the end of the remaining term  
91.7 of the last outstanding qualifying pay-as-you-go contract and note, and the applicable  
91.8 in-district percentage of cumulative revenues derived from tax increments paid by properties  
91.9 in the district are sufficient to pay the obligations identified in subdivision 3, paragraphs  
91.10 (a) and (b), provided that the deferral shall not exceed the district's duration limit under  
91.11 section 469.176. During the deferral, beginning at the time paragraph (a) would otherwise  
91.12 require decertification, the authority must annually either:

91.13 (1) remove from the district, by the end of the year, all parcels that will no longer have  
91.14 their tax increment revenue pledged or subject to a qualifying pay-as-you-go contract and  
91.15 note or other costs and obligations described in subdivision 3, paragraphs (a) and (b), after  
91.16 the end of the year; or

91.17 (2) use the applicable in-district percentage of revenues derived from tax increments  
91.18 paid by those parcels to prepay an outstanding qualifying pay-as-you-go contract and note  
91.19 of the district or other costs and obligations described in subdivision 3, paragraphs (a) and  
91.20 (b), or to accumulate and use revenues derived from tax increments paid by those parcels  
91.21 as permitted under paragraph (i).

91.22 The authority must remove any parcels as required by this paragraph by modification  
91.23 of the tax increment financing plan and notify the county auditor of the removed parcels by  
91.24 the end of the same calendar year. Notwithstanding section 469.175, subdivision 4,  
91.25 paragraphs (b), clause (1), and (e), the notice, discussion, public hearing, and findings  
91.26 required for approval of the original plan are not required for such a modification.

91.27 (c) Notwithstanding paragraph (a) or (b), if tax increment was pledged prior to August  
91.28 1, 2023, to a bond other than a pay-as-you-go contract and note or interfund loan, and the  
91.29 proceeds of the bond were used solely or in part to pay authorized costs for activities outside  
91.30 the district, the requirement to decertify under paragraph (a) or remove parcels under  
91.31 paragraph (b) shall not apply prior to the bond being fully paid or defeased.

91.32 (d) For purposes of this subdivision, "applicable in-district percentage" means the  
91.33 percentage of tax increment revenue that is restricted for expenditures within the district,  
91.34 as determined under subdivision 2, paragraphs (a) and (d), for the district.

92.1 (e) For purposes of this subdivision, "qualifying pay-as-you-go contract and note" means  
92.2 a pay-as-you-go contract and note that is considered to be for activities within the district  
92.3 under subdivision 3, paragraph (a).

92.4 (f) For purposes of this subdivision, the reference in paragraph (a) to cumulative revenues  
92.5 derived from tax increments paid by properties in the district through the end of the calendar  
92.6 year shall include any final settlement distributions made in the following January. For  
92.7 purposes of the calculation in paragraph (a), any amounts returned to the county auditor as  
92.8 excess increment or as remedies under section 469.1771, subdivision 2, shall first be  
92.9 subtracted from the cumulative revenues derived from tax increments paid by properties in  
92.10 the district.

92.11 (g) The timing and implementation of a decertification pursuant to paragraphs (a) and  
92.12 (b) shall be subject to the following:

92.13 (1) when a decertification is required under paragraph (a) and not deferred under  
92.14 paragraph (b), the authority must, as soon as practical and no later than the final settlement  
92.15 distribution date of January 25 as identified in section 276.111 for the property taxes payable  
92.16 in the calendar year identified in paragraph (a), make the decertification by resolution  
92.17 effective for the end of the calendar year identified in paragraph (a), and communicate the  
92.18 decertification to the county auditor;

92.19 (2) when a decertification is deferred under paragraph (b), the authority must, by  
92.20 December 31 of the year in which the last qualifying pay-as-you-go contract and note reaches  
92.21 termination, make the decertification by resolution effective for the end of that calendar  
92.22 year and communicate the decertification to the county auditor;

92.23 (3) if the county auditor is unable to prevent tax increments from being calculated for  
92.24 taxes payable in the year following the year for which the decertification is made effective,  
92.25 the county auditor may redistribute the tax increments in the same manner as excess  
92.26 increments under section 469.176, subdivision 2, paragraph (c), clause (4), without first  
92.27 distributing them to the authority; and

92.28 (4) if tax increments are distributed to an authority for a taxes payable year after the year  
92.29 for which the decertification was required to be effective, the authority must return the  
92.30 amount of the distributions to the county auditor for redistribution in the same manner as  
92.31 excess increments under section 469.176, subdivision 2, paragraph (c), clause (4).

92.32 (h) The provisions of this subdivision do not apply to a housing district.

(i) Notwithstanding anything to the contrary in paragraph (a) or (b), if an authority has made the election in the tax increment financing plan for the district under subdivision 2, paragraph (d), then the requirement to decertify under paragraph (a) or remove parcels under paragraph (b) shall not apply prior to such time that the accumulated revenues derived from tax increments paid by properties in the district that are eligible to be expended for housing purposes described under subdivision 2, paragraph (d), equals the lesser of the amount the authority is permitted to expend for housing purposes described under subdivision 2, paragraph (d), or the amount authorized for such purposes in the tax increment financing plan. Increment revenues collected after the district would have decertified under paragraph (a) or from parcels which otherwise would be subject to removal under paragraph (b), absent the exception of this paragraph, shall be used solely for housing purposes as described in subdivision 2, paragraph (d).

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to all districts with a request for certification after April 30, 1990, except that the requirements under paragraph (b) to remove parcels or use revenues from such parcels as prescribed in paragraph (b) apply only to districts for which the request for certification was made after the day following final enactment.

Sec. 10. Minnesota Statutes 2022, section 469.1763, subdivision 6, is amended to read:

Subd. 6. **Pooling permitted for deficits.** (a) This subdivision applies only to districts for which the request for certification was made before August 1, 2001, and without regard to whether the request for certification was made prior to August 1, 1979.

(b) The municipality for the district may transfer available increments from another tax increment financing district located in the municipality, if the transfer is necessary to eliminate a deficit in the district to which the increments are transferred. The municipality may transfer increments as provided by this subdivision without regard to whether the transfer or expenditure is authorized by the tax increment financing plan for the district from which the transfer is made. A deficit in the district for purposes of this subdivision means the lesser of the following two amounts:

(1)~~(i)~~ the amount due during the calendar year to pay preexisting obligations of the district; minus the sum of

~~(ii)~~ (i) the total increments collected or to be collected from properties located within the district that are available for the calendar year including amounts collected in prior years that are currently available; plus

94.1 ~~(iii)~~ (ii) total increments from properties located in other districts in the municipality  
94.2 including amounts collected in prior years that are available to be used to meet the district's  
94.3 obligations under this section, excluding this subdivision, or other provisions of law; or

94.4 (2) the reduction in increments collected from properties located in the district for the  
94.5 calendar year as a result of the changes in classification rates in Laws 1997, chapter 231,  
94.6 article 1; Laws 1998, chapter 389, article 2; and Laws 1999, chapter 243, and Laws 2001,  
94.7 First Special Session chapter 5, or the elimination of the general education tax levy under  
94.8 Laws 2001, First Special Session chapter 5.

94.9 The authority may compute the deficit amount under clause (1) only (without regard to  
94.10 the limit under clause (2)) if the authority makes an irrevocable commitment, by resolution,  
94.11 to use increments from the district to which increments are to be transferred and any  
94.12 transferred increments are only used to pay preexisting obligations and administrative  
94.13 expenses for the district that are required to be paid under section 469.176, subdivision 4h,  
94.14 paragraph (a).

94.15 (c) A preexisting obligation means:

94.16 (1) bonds issued and sold before August 1, 2001, or bonds issued pursuant to a binding  
94.17 contract requiring the issuance of bonds entered into before July 1, 2001, and bonds issued  
94.18 to refund such bonds or to reimburse expenditures made in conjunction with a signed  
94.19 contractual agreement entered into before August 1, 2001, to the extent that the bonds are  
94.20 secured by a pledge of increments from the tax increment financing district; and

94.21 (2) binding contracts entered into before August 1, 2001, to the extent that the contracts  
94.22 require payments secured by a pledge of increments from the tax increment financing district.

94.23 (d) The municipality may require a development authority, other than a seaway port  
94.24 authority, to transfer available increments including amounts collected in prior years that  
94.25 are currently available for any of its tax increment financing districts in the municipality to  
94.26 make up an insufficiency in another district in the municipality, regardless of whether the  
94.27 district was established by the development authority or another development authority.

94.28 This authority applies notwithstanding any law to the contrary, but applies only to a  
94.29 development authority that:

94.30 (1) was established by the municipality; or

94.31 (2) the governing body of which is appointed, in whole or part, by the municipality or  
94.32 an officer of the municipality or which consists, in whole or part, of members of the  
94.33 governing body of the municipality. The municipality may use this authority only after it

95.1 has first used all available increments of the receiving development authority to eliminate  
95.2 the insufficiency and exercised any permitted action under section 469.1792, subdivision  
95.3 3, for preexisting districts of the receiving development authority to eliminate the  
95.4 insufficiency.

95.5 (e) The authority under this subdivision to spend tax increments outside of the area of  
95.6 the district from which the tax increments were collected:

95.7 (1) is an exception to the restrictions under section 469.176, subdivisions 4b, 4c, 4d, 4e,  
95.8 4i, and 4j; the expenditure limits under section 469.176, subdivision 1c; and the other  
95.9 provisions of this section; and the percentage restrictions under subdivision 2 must be  
95.10 calculated after deducting increments spent under this subdivision from the total increments  
95.11 for the district; and

95.12 (2) applies notwithstanding the provisions of the Tax Increment Financing Act in effect  
95.13 for districts for which the request for certification was made before June 30, 1982, or any  
95.14 other law to the contrary.

95.15 (f) If a preexisting obligation requires the development authority to pay an amount that  
95.16 is limited to the increment from the district or a specific development within the district and  
95.17 if the obligation requires paying a higher amount to the extent that increments are available,  
95.18 the municipality may determine that the amount due under the preexisting obligation equals  
95.19 the higher amount and may authorize the transfer of increments under this subdivision to  
95.20 pay up to the higher amount. The existence of a guarantee of obligations by the individual  
95.21 or entity that would receive the payment under this paragraph is disregarded in the  
95.22 determination of eligibility to pool under this subdivision. The authority to transfer increments  
95.23 under this paragraph may only be used to the extent that the payment of all other preexisting  
95.24 obligations in the municipality due during the calendar year have been satisfied.

95.25 (g) For transfers of increments made in calendar year 2005 and later, the reduction in  
95.26 increments as a result of the elimination of the general education tax levy for purposes of  
95.27 paragraph (b), clause (2), for a taxes payable year equals the general education tax rate for  
95.28 the school district under Minnesota Statutes 2000, section 273.1382, subdivision 1, for taxes  
95.29 payable in 2001, multiplied by the captured tax capacity of the district for the current taxes  
95.30 payable year.

95.31 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
95.32 applies only to districts for which the request for certification was made before August 1,  
95.33 2001, and without regard to whether the request for certification was made prior to August  
95.34 1, 1979.

96.1 Sec. 11. Minnesota Statutes 2022, section 469.1771, subdivision 2, is amended to read:

96.2 Subd. 2. **Collection of increment.** If an authority includes or retains a parcel of property  
96.3 in a tax increment financing district that does not qualify for inclusion or retention within  
96.4 the district, the authority must pay to the county auditor an amount of money equal to the  
96.5 increment collected from the property for the year or years. The property must be eliminated  
96.6 from the original and captured tax capacity of the district effective for the current property  
96.7 tax assessment year. ~~This subdivision does not apply to a failure to decertify a district at~~  
96.8 ~~the end of the duration limit specified in the tax increment financing plan.~~

96.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

96.10 Sec. 12. Minnesota Statutes 2022, section 469.1771, subdivision 2a, is amended to read:

96.11 Subd. 2a. **Suspension of distribution of tax increment.** (a) If an authority fails to make  
96.12 a disclosure or to submit a report containing the information required by section 469.175,  
96.13 subdivisions 5 and 6, regarding a tax increment financing district within the time provided  
96.14 in section 469.175, subdivisions 5 and 6, the state auditor shall mail to the authority a written  
96.15 notice that it or the municipality has failed to make the required disclosure or to submit a  
96.16 required report with respect to a particular district. The state auditor shall mail the notice  
96.17 on or before the third Tuesday of August of the year in which the disclosure or report was  
96.18 required to be made or submitted. The notice must describe the consequences of failing to  
96.19 disclose or submit a report as provided in paragraph (b). If the state auditor has not received  
96.20 a copy of a disclosure or a report described in this paragraph on or before the first day of  
96.21 October of the year in which the disclosure or report was required to be made or submitted,  
96.22 the state auditor shall mail a written notice to the county auditor to hold the distribution of  
96.23 tax increment from a particular district.

96.24 (b) Upon receiving written notice from the state auditor to hold the distribution of tax  
96.25 increment, the county auditor shall hold: all tax increment that otherwise would be distributed  
96.26 after receipt of the notice, until further notified under paragraph (c).

96.27 ~~(1) 100 percent of the amount of tax increment that otherwise would be distributed, if~~  
96.28 ~~the distribution is made after the first day of October but during the year in which the~~  
96.29 ~~disclosure or report was required to be made or submitted; or~~

96.30 ~~(2) 100 percent of the amount of tax increment that otherwise would be distributed, if~~  
96.31 ~~the distribution is made after December 31 of the year in which the disclosure or report was~~  
96.32 ~~required to be made or submitted.~~



(c) Upon receiving the copy of the disclosure and all of the reports described in paragraph (a) with respect to a district regarding which the state auditor has mailed to the county auditor a written notice to hold distribution of tax increment, the state auditor shall mail to the county auditor a written notice lifting the hold and authorizing the county auditor to distribute to the authority or municipality any tax increment that the county auditor had held pursuant to paragraph (b). The state auditor shall mail the written notice required by this paragraph within five working days after receiving the last outstanding item. The county auditor shall distribute the tax increment to the authority or municipality within 15 working days after receiving the written notice required by this paragraph.

(d) Notwithstanding any law to the contrary, any interest that accrues on tax increment while it is being held by the county auditor pursuant to paragraph (b) is not tax increment and may be retained by the county.

(e) For purposes of sections 469.176, subdivisions 1a to 1g, and 469.177, subdivision 11, tax increment being held by the county auditor pursuant to paragraph (b) is considered distributed to or received by the authority or municipality as of the time that it would have been distributed or received but for paragraph (b).

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 13. Minnesota Statutes 2022, section 469.1771, subdivision 3, is amended to read:

Subd. 3. **Expenditure of increment.** If an authority expends revenues derived from tax increments, including the proceeds of tax increment bonds, (1) for a purpose that is not a permitted project under ~~section 469.176~~ sections 469.174 to 469.1794, (2) for a purpose that is not permitted under ~~section 469.176~~ sections 469.174 to 469.1794 for the district from which the increment was received, or (3) on activities outside of the geographic area in which the revenues may be expended under this chapter, the authority must pay to the county auditor an amount equal to the expenditures made in violation of the law.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 14. Laws 2008, chapter 366, article 5, section 26, as amended by Laws 2013, chapter 143, article 9, section 11, and Laws 2019, First Special Session chapter 6, article 7, section 2, is amended to read:

Sec. 26. **BLOOMINGTON TAX INCREMENT FINANCING; FIVE-YEAR RULE.**

(a) The requirements of Minnesota Statutes, section 469.1763, subdivision 3, that activities must be undertaken within a five-year period from the date of certification of a

98.1 tax increment financing district, are increased to a ~~21-year~~ 26-year period for the Port  
98.2 Authority of the City of Bloomington's Tax Increment Financing District No. 1-I,  
98.3 Bloomington Central Station. The requirements of Minnesota Statutes, section 469.1763,  
98.4 subdivision 4, apply to the district in each year beginning with the 27th year following  
98.5 certification of the district.

98.6 (b) Notwithstanding the provisions of Minnesota Statutes, section 469.176, or any other  
98.7 law to the contrary, the city of Bloomington and its port authority may extend the duration  
98.8 limits of the district for a period through December 31, 2039.

98.9 (c) Notwithstanding the provisions of Minnesota Statutes, section 469.176, or any other  
98.10 law to the contrary, the city of Bloomington and its port authority may extend the duration  
98.11 limits of undeveloped parcels within District No. 1-I for a period through December 31,  
98.12 2049. For the purposes of this paragraph, "undeveloped parcels" means any parcel that does  
98.13 not have a building on it as of the effective date of this section.

98.14 ~~(e)~~ (d) Effective for taxes payable in 2014, tax increment for the district must be computed  
98.15 using the current local tax rate, notwithstanding the provisions of Minnesota Statutes, section  
98.16 469.177, subdivision 1a.

98.17 **EFFECTIVE DATE.** This section is effective upon compliance by the city of  
98.18 Bloomington, Hennepin County, and Independent School District No. 271 with the  
98.19 requirements of Minnesota Statutes, section 469.1782, subdivision 2.

98.20 Sec. 15. Laws 2014, chapter 308, article 6, section 12, subdivision 2, is amended to read:

98.21 Subd. 2. **Special rules.** (a) If the city elects, upon the adoption of the tax increment  
98.22 financing plan for a district, the rules under this section apply to a redevelopment district,  
98.23 renewal and renovation district, soil condition district, or soil deficiency district established  
98.24 by the city or a development authority of the city in the project area.

98.25 (b) Prior to or upon the adoption of the first tax increment plan subject to the special  
98.26 rules under this subdivision, the city must find by resolution that parcels consisting of at  
98.27 least 80 percent of the acreage of the project area, excluding street and railroad rights-of-way,  
98.28 are characterized by one or more of the following conditions:

98.29 (1) peat or other soils with geotechnical deficiencies that impair development of  
98.30 commercial buildings or infrastructure;

98.31 (2) soils or terrain that require substantial filling in order to permit the development of  
98.32 commercial buildings or infrastructure;

99.1 (3) landfills, dumps, or similar deposits of municipal or private waste;

99.2 (4) quarries or similar resource extraction sites;

99.3 (5) floodway; and

99.4 (6) substandard buildings, within the meaning of Minnesota Statutes, section 469.174,  
99.5 subdivision 10.

99.6 (c) For the purposes of paragraph (b), clauses (1) to (5), a parcel is characterized by the  
99.7 relevant condition if at least 70 percent of the area of the parcel contains the relevant  
99.8 condition. For the purposes of paragraph (b), clause (6), a parcel is characterized by  
99.9 substandard buildings if substandard buildings occupy at least 30 percent of the area of the  
99.10 parcel.

99.11 (d) The five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, is  
99.12 extended to ~~eight~~ 12 years for any district; the five-year rule under Minnesota Statutes,  
99.13 section 469.175, subdivision 4, paragraph (f), is extended to nine years for any district; and  
99.14 Minnesota Statutes, section 469.1763, subdivision 4, does not apply to any district.

99.15 (e) Notwithstanding any provision to the contrary in Minnesota Statutes, section 469.1763,  
99.16 subdivision 2, paragraph (a), not more than 40 percent of the total revenue derived from tax  
99.17 increments paid by properties in any district, measured over the life of the district, may be  
99.18 expended on activities outside the district but within the project area.

99.19 (f) For a soil deficiency district:

99.20 (1) increments may be collected through 20 years after the receipt by the authority of  
99.21 the first increment from the district;

99.22 (2) increments may be used only to:

99.23 (i) acquire parcels on which the improvements described in item (ii) will occur;

99.24 (ii) pay for the cost of correcting the unusual terrain or soil deficiencies and the additional  
99.25 cost of installing public improvements directly caused by the deficiencies; and

99.26 (iii) pay for the administrative expenses of the authority allocable to the district; and

99.27 (3) any parcel acquired with increments from the district must be sold at no less than  
99.28 their fair market value.

99.29 (g) Increments spent for any infrastructure costs, whether inside a district or outside a  
99.30 district but within the project area, are deemed to satisfy the requirements of Minnesota  
99.31 Statutes, section 469.176, subdivision 4j.

(h) The authority to approve tax increment financing plans to establish tax increment financing districts under this section expires June 30, 2020.

**EFFECTIVE DATE.** This section is effective the day after the governing body of the city of Savage and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 16. **CITY OF CHATFIELD; TAX INCREMENT FINANCING AUTHORITY; ECONOMIC DEVELOPMENT AUTHORIZATION.**

Notwithstanding Minnesota Statutes, section 469.176, subdivision 4c, paragraph (b), or any other law to the contrary, the city of Chatfield, or its economic development authority, may establish an economic development district to construct a multilevel hotel on Mill Creek Road and Division Street NW, south of Trunk Highway 30, in the city of Chatfield, Olmsted County, provided that the first floor of the hotel not exceed 15,000 square feet. For purposes of this section, "first floor" means the floor at street level where the public is permitted to enter and exit.

**EFFECTIVE DATE.** This section is effective the day after the governing body of the city of Chatfield and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 17. **CITY OF DULUTH; TAX INCREMENT FINANCING AUTHORITY.**

Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the city of Duluth or its economic development authority may establish one or more redevelopment districts located wholly within the city of Duluth, St. Louis County, Minnesota, limited to the area bordered on the northeast by Slip 3 and the Pier B Resort property line extended northwest to Interstate Highway 35, on the southeast by the Duluth Harbor, on the southwest by the Compass Minerals property line extended northwest to Interstate Highway 35, and on the northwest by Interstate Highway 35, together with adjacent roads and rights-of-way.

Subd. 2. **Special rules.** For any tax increment financing district established under this section, the following special rules apply:

(1) the district is deemed to meet all the requirements of Minnesota Statutes, section 469.174, subdivision 10;

101.1 (2) expenditures incurred in connection with the development of the property described  
101.2 in subdivision 1 are deemed to meet the requirements of Minnesota Statutes, section 469.176,  
101.3 subdivision 4j; and

101.4 (3) eligible expenditures include without limitation seawalls and pier facings adjacent  
101.5 to the boundaries of such district.

101.6 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
101.7 city of Duluth and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
101.8 subdivisions 2 and 3.

101.9 Sec. 18. **CITY OF DULUTH; TAX INCREMENT FINANCING DURATION**  
101.10 **EXTENSION.**

101.11 Notwithstanding Minnesota Statutes, section 469.176, subdivision 1b, or any other law  
101.12 to the contrary, the city of Duluth or its economic development authority may extend the  
101.13 duration limit of a district established under section 1 by ten years.

101.14 **EFFECTIVE DATE.** This section is effective upon compliance by the city of Duluth,  
101.15 St. Louis County, and Independent School District No. 709 with the requirements of  
101.16 Minnesota Statutes, section 469.1782, subdivision 2.

101.17 Sec. 19. **CITY OF DULUTH; TAX INCREMENT FINANCING DISTRICT;**  
101.18 **SPECIAL RULES.**

101.19 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the  
101.20 economic development authority of the city of Duluth or the city of Duluth may establish  
101.21 one or more redevelopment districts located wholly within the area of the city of Duluth,  
101.22 St. Louis County, Minnesota, limited to the area classified as the Medical Regional Exchange  
101.23 District and East 1st Street Corridor as bounded by: East 6th Street from North 3rd Avenue  
101.24 East to North 7th Avenue East; North 7th Avenue East from East 6th Street to East 3rd  
101.25 Street; East 3rd Street from North 7th Avenue East to North 12th Avenue East; North 12th  
101.26 Avenue East from East 3rd Street straight through the Duluth Rose Garden to the Lake  
101.27 Superior Waterfront; the Lake Superior waterfront from the Duluth Rose Garden at North  
101.28 12th Avenue East to Lake Place Park at North 3rd Avenue East; North 3rd Avenue East  
101.29 from Lake Place Park at the Lake Superior waterfront to East Superior Street; East Superior  
101.30 Street from North 3rd Avenue East to North Lake Avenue; North Lake Avenue from East  
101.31 Superior Street to East 2nd Street; East 2nd Street from North Lake Avenue to North 3rd  
101.32 Avenue East; North 3rd Avenue East from East 2nd Street to East 6th Street.

Subd. 2. **Special rules.** If the city or authority establishes a redevelopment tax increment financing district under this section, the requirements, definitions, limitations, or restrictions in the following statutes do not apply: Minnesota Statutes, sections 469.174, subdivision 10; and 469.176, subdivisions 4j, 4l, and 5; 469.1763, subdivisions 2, 3, and 4.

Subd. 3. **Expiration.** The provisions of subdivision 2 expire for increment expended after December 31, 2051. After that date, the provisions of Minnesota Statutes, section 469.1763, subdivision 4, apply to any remaining unspent or unobligated increment.

**EFFECTIVE DATE.** This section is effective the day after the governing body of the city of Duluth and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 20. **CITY OF FRIDLEY; TAX INCREMENT FINANCING DISTRICT; SPECIAL RULES.**

Subdivision 1. **Transfer of increment.** Notwithstanding Minnesota Statutes, section 469.176, subdivision 4j, the city of Fridley, or its economic development authority, may transfer tax increment accumulated from Fridley Tax Increment Financing District No. 20 to the Fridley Housing and Redevelopment Authority for the purposes authorized in subdivision 2. Only increment allowed to be expended outside of the district pursuant to Minnesota Statutes, section 469.1763, subdivision 2, may be transferred under this section.

Subd. 2. **Allowable use.** Tax increment transferred under subdivision 1 must be used only to:

(1) make grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing; or

(2) match other funds from federal, state, or private resources for housing projects.

Subd. 3. **Annual financial reporting.** Tax increment transferred under this section is subject to the annual reporting requirements under Minnesota Statutes, section 469.175, subdivision 6.

Subd. 4. **Legislative reports.** By February 1, 2024, and February 1, 2026, the city of Fridley must issue a report to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes and property taxes. Each report must include detailed information relating to each program financed with increment transferred under this section.

Subd. 5. **Expiration.** The authority to make transfers under subdivision 1 expires December 31, 2026.

103.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
103.2 city of Fridley and its chief clerical officer comply with the requirements of Minnesota  
103.3 Statutes, section 645.021, subdivisions 2 and 3.

103.4 Sec. 21. **CITY OF LAFAYETTE; SMALL CITY DESIGNATION.**

103.5 For the purposes of Minnesota Statutes, section 469.176, subdivision 4c, the city of  
103.6 Lafayette is a small city.

103.7 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
103.8 city of Lafayette and its chief clerical officer comply with Minnesota Statutes, section  
103.9 645.021, subdivisions 2 and 3.

103.10 Sec. 22. **CITY OF NICOLLET; SMALL CITY DESIGNATION.**

103.11 For the purposes of Minnesota Statutes, section 469.176, subdivision 4c, the city of  
103.12 Nicollet is a small city.

103.13 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
103.14 city of Nicollet and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
103.15 subdivisions 2 and 3.

103.16 Sec. 23. **CITY OF PLYMOUTH; TAX INCREMENT FINANCING AUTHORITY.**

103.17 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the  
103.18 city of Plymouth may establish one or more redevelopment districts located wholly within  
103.19 the city of Plymouth, Hennepin County, Minnesota, limited to the following parcels identified  
103.20 by tax identification numbers: 34-119-22-44-0002, 03-118-22-12-0002, 03-118-22-11-0007,  
103.21 02-118-22-22-0005, and 03-118-22-14-0032, together with adjacent roads and rights of  
103.22 way.

103.23 Subd. 2. **Special rules.** If the city establishes a tax increment financing district under  
103.24 this section, the following special rules apply:

103.25 (1) the district is deemed to meet all the requirements of Minnesota Statutes, section  
103.26 469.174, subdivision 10;

103.27 (2) the five-year rule period under Minnesota Statutes, section 469.1763, subdivision 3,  
103.28 is extended to ten years and the six-year rule under Minnesota Statutes, section 469.1763,  
103.29 subdivision 4, applies to the district in each year beginning with the 11th year following  
103.30 certification of the district;

104.1 (3) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district;  
104.2 and

104.3 (4) not more than 75 percent of increments generated from the district may be expended  
104.4 on improvements to Chankahda Trail, formerly known as Hennepin County Road 47, outside  
104.5 the project area, and all such expenditures are deemed expended on activities within the  
104.6 district for the purposes of Minnesota Statutes, section 469.1763.

104.7 Subd. 3. **Expiration.** The authority to approve a tax increment financing plan to establish  
104.8 a tax increment financing district under this section expires December 31, 2030.

104.9 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
104.10 city of Plymouth and its chief clerical officer comply with Minnesota Statutes, section  
104.11 645.021, subdivisions 2 and 3.

104.12 Sec. 24. **CITY OF SHAKOPEE; TAX INCREMENT FINANCING DISTRICT.**

104.13 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have  
104.14 the meanings given.

104.15 (b) "City" means the city of Shakopee.

104.16 (c) "Project area" means the following parcels, identified by parcel identification number:  
104.17 279160102, 279160110, 279170020, and 279160120.

104.18 (d) "Soil deficiency district" means a type of tax increment financing district consisting  
104.19 of a portion of the project area in which the city finds by resolution that the following  
104.20 conditions exist:

104.21 (1) unusual terrain or soil deficiencies that occurred over 70 percent of the acreage in  
104.22 the district require substantial filling, grading, or other physical preparation for use; and

104.23 (2) the estimated cost of the physical preparation under clause (1), excluding costs  
104.24 directly related to roads as defined in Minnesota Statutes, section 160.01, and local  
104.25 improvements as described in Minnesota Statutes, sections 429.021, subdivision 1, other  
104.26 than clauses (8) to (10), and 430.01, exceeds the fair market value of the land before  
104.27 completion of the preparation.

104.28 Subd. 2. **Special rules.** (a) If the city elects, upon the adoption of the tax increment  
104.29 financing plan for a district, the rules under this section apply to a redevelopment district,  
104.30 renewal and renovation district, soil condition district, or soil deficiency district established  
104.31 by the city or a development authority of the city in the project area. The city, or a



105.1 development authority acting on its behalf, may establish one or more soil deficiency districts  
105.2 within the project area.

105.3 (b) Prior to or upon the adoption of the first tax increment plan subject to the special  
105.4 rules under this subdivision, the city must find by resolution that parcels consisting of at  
105.5 least 70 percent of the acreage of the project area, excluding street and railroad rights-of-way,  
105.6 are characterized by one or more of the following conditions:

105.7 (1) peat or other soils with geotechnical deficiencies that impair development of  
105.8 residential or commercial buildings or infrastructure;

105.9 (2) soils or terrain that requires substantial filling in order to permit the development of  
105.10 residential or commercial buildings or infrastructure;

105.11 (3) landfills, dumps, or similar deposits of municipal or private waste;

105.12 (4) quarries or similar resource extraction sites;

105.13 (5) floodways; and

105.14 (6) substandard buildings, within the meaning of Minnesota Statutes, section 469.174,  
105.15 subdivision 10.

105.16 (c) For the purposes of paragraph (b), clauses (1) to (5), a parcel is characterized by the  
105.17 relevant condition if at least 60 percent of the area of the parcel contains the relevant  
105.18 condition. For the purposes of paragraph (b), clause (6), a parcel is characterized by  
105.19 substandard buildings if substandard buildings occupy at least 30 percent of the area of the  
105.20 parcel.

105.21 (d) The five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, is  
105.22 extended to ten years for any district, and the period under Minnesota Statutes, section  
105.23 469.1763, subdivision 4, is extended to 11 years.

105.24 (e) Notwithstanding any provision to the contrary in Minnesota Statutes, section 469.1763,  
105.25 subdivision 2, paragraph (a), not more than 80 percent of the total revenue derived from tax  
105.26 increments paid by properties in any district, measured over the life of the district, may be  
105.27 expended on activities outside the district but within the project area.

105.28 (f) For a soil deficiency district:

105.29 (1) increments may be collected through 20 years after the receipt by the authority of  
105.30 the first increment from the district; and

105.31 (2) except as otherwise provided in this subdivision, increments may be used only to:

(i) acquire parcels on which the improvements described in item (ii) will occur;

(ii) pay for the cost of correcting the unusual terrain or soil deficiencies and the additional cost of installing public improvements directly caused by the deficiencies; and

(iii) pay for the administrative expenses of the authority allocable to the district.

(g) The authority to approve tax increment financing plans to establish tax increment financing districts under this section expires December 31, 2026.

**EFFECTIVE DATE.** This section is effective the day after the governing body of the city of Shakopee and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

**Sec. 25. CITY OF SPICER; SMALL CITY DESIGNATION.**

For the purposes of Minnesota Statutes, section 469.176, subdivision 4c, the city of Spicer is a small city.

**EFFECTIVE DATE.** This section is effective the day after the governing body of the city of Spicer and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

**Sec. 26. CITY OF WEST SAINT PAUL; TAX INCREMENT FINANCING AUTHORITY.**

Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the economic development authority of the city of West Saint Paul or the city of West Saint Paul may establish one or more redevelopment tax increment financing districts consisting of the parcels in the city of West Saint Paul, Dakota County, Minnesota, currently identified with the following parcel identification numbers: 42-83680-01-011, 42-11561-00-010, 42-11561-01-010, 42-11560-01-021, 42-11561-00-020, 42-11560-01-022, as the same may be replatted or reconfigured, together with adjacent roads and rights-of-way.

Subd. 2. **Special rules.** If the city or authority establishes one or more tax increment financing districts under this section, the following special rules apply:

(1) the districts are deemed to meet all the requirements of Minnesota Statutes, section 469.174, subdivision 10; and

(2) expenditures incurred in connection with the development of the property described in subdivision 1 are deemed to meet the requirements of Minnesota Statutes, section 469.176, subdivision 4j.

**EFFECTIVE DATE.** This section is effective the day after the governing body of the city of West Saint Paul and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 27. **CITY OF WOODBURY; TAX INCREMENT FINANCING DISTRICT NO. 13; EXPENDITURES ALLOWED; DURATION EXTENSION.**

(a) Notwithstanding Minnesota Statutes, section 469.1763, subdivision 2, or any other law to the contrary, the city of Woodbury may expend increments generated from Tax Increment Financing District No. 13 for the maintenance, and facility and infrastructure upgrades to Central Park. All such expenditures are deemed expended on activities within the district.

(b) Notwithstanding Minnesota Statutes, section 469.176, subdivision 1b, the city of Woodbury may elect to extend the duration of Tax Increment Financing District No. 13 by five years.

**EFFECTIVE DATE.** Paragraph (a) is effective the day after the governing body of the city of Woodbury and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3. Paragraph (b) is effective upon compliance by the city of Woodbury, Washington County, and Independent School District No. 833 with the requirements of Minnesota Statutes, section 469.1782, subdivision 2.

**ARTICLE 6**  
**LOCAL TAXES**

Section 1. Laws 1980, chapter 511, section 1, subdivision 2, as amended by Laws 1991, chapter 291, article 8, section 22, Laws 1998, chapter 389, article 8, section 25, Laws 2003, First Special Session chapter 21, article 8, section 11, Laws 2008, chapter 154, article 5, section 2, Laws 2014, chapter 308, article 3, section 21, and Laws 2017, First Special Session chapter 1, article 5, section 1, is amended to read:

Subd. 2. (a) Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter provision to the contrary, the city of Duluth may, by ordinance, impose an additional sales tax of up to one and three-quarter percent on sales transactions which are described in Minnesota Statutes 2000, section 297A.01, subdivision 3, clause (c). The imposition of this tax shall not be subject to voter referendum under either state law or city charter provisions. When the city council determines that the taxes imposed under this paragraph at a rate of three-quarters of one percent and other sources of revenue produce revenue sufficient to pay debt service on bonds in the principal amount of \$40,285,000 plus

108.1 issuance and discount costs, issued for capital improvements at the Duluth Entertainment  
108.2 and Convention Center, which include a new arena, the rate of tax under this subdivision  
108.3 must be reduced by three-quarters of one percent.

108.4 (b) In addition to the tax in paragraph (a) and notwithstanding Minnesota Statutes, section  
108.5 477A.016, or any other law, ordinance, or city charter provision to the contrary, the city of  
108.6 Duluth may, by ordinance, impose an additional sales tax of up to one-half of one percent  
108.7 on sales transactions which are described in Minnesota Statutes 2000, section 297A.01,  
108.8 subdivision 3, clause (c). This tax expires when the city council determines that the tax  
108.9 imposed under this paragraph, along with the tax imposed under section 22, paragraph (b),  
108.10 has produced revenues sufficient to pay the debt service on bonds in a principal amount of  
108.11 no more than ~~\$18,000,000~~ \$54,000,000, plus issuance and discount costs, to finance capital  
108.12 improvements to public facilities to support tourism and recreational activities in that portion  
108.13 of the city west of 14th Avenue West and the area south of and including Skyline Parkway,  
108.14 and capital improvements to parks-based public athletic facilities to support sports tourism.

108.15 (c) The city of Duluth may sell and issue up to ~~\$18,000,000~~ \$54,000,000 in general  
108.16 obligation bonds under Minnesota Statutes, chapter 475, plus an additional amount to pay  
108.17 for the costs of issuance and any premiums. The proceeds may be used to finance capital  
108.18 improvements to public facilities that support tourism and recreational activities in the  
108.19 portion of the city west of 14th Avenue West and the area south of and including Skyline  
108.20 Parkway and capital improvements to parks-based public athletic facilities to support sports  
108.21 tourism, as described in paragraph (b). The issuance of the bonds is subject to the provisions  
108.22 of Minnesota Statutes, chapter 475, except no election shall be required unless required by  
108.23 the city charter. The bonds shall not be included in computing net debt. The revenues from  
108.24 the taxes that the city of Duluth may impose under paragraph (b) and under section 22,  
108.25 paragraph (b), may be pledged to pay principal of and interest on such bonds.

108.26 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
108.27 city of Duluth and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
108.28 subdivisions 2 and 3.

108.29 Sec. 2. Laws 1980, chapter 511, section 2, as amended by Laws 1998, chapter 389, article  
108.30 8, section 26, Laws 2003, First Special Session chapter 21, article 8, section 12, Laws 2014,

chapter 308, article 3, section 22, and Laws 2017, First Special Session chapter 1, article 5, section 2, is amended to read:

**Sec. 2. CITY OF DULUTH; TAX ON RECEIPTS BY HOTELS AND MOTELS.**

(a) Notwithstanding Minnesota Statutes, section 477A.016, or any other law, or ordinance, or city charter provision to the contrary, the city of Duluth may, by ordinance, impose an additional tax of one percent upon the gross receipts from the sale of lodging for periods of less than 30 days in hotels and motels located in the city. The tax shall be collected in the same manner as the tax set forth in the Duluth city charter, section 54(d), paragraph one. The imposition of this tax shall not be subject to voter referendum under either state law or city charter provisions.

(b) In addition to the tax in paragraph (a) and notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter provision to the contrary, the city of Duluth may, by ordinance, impose an additional sales tax of up to one-half of one percent on the gross receipts from the sale of lodging for periods of less than 30 days in hotels and motels located in the city. This tax expires when the city council first determines that the tax imposed under this paragraph, along with the tax imposed under section 21, paragraph (b), has produced revenues sufficient to pay the debt service on bonds in a principal amount of no more than ~~\$18,000,000~~ \$54,000,000, plus issuance and discount costs, to finance capital improvements to public facilities to support tourism and recreational activities in that portion of the city west of 14th Avenue West and the area south of and including Skyline Parkway, and capital improvements to parks-based public athletic facilities to support sports tourism.

**EFFECTIVE DATE.** This section is effective the day after the governing body of the city of Duluth and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 3. Laws 2008, chapter 366, article 7, section 17, is amended to read:

**Sec. 17. COOK COUNTY; LODGING AND ADMISSIONS TAXES TAX.**

Subdivision 1. **Lodging tax.** Notwithstanding Minnesota Statutes, section 477A.016, or any other provision of law, ordinance, or city charter, the Board of Commissioners of Cook County may impose, by ordinance, a tax of up to one percent on the gross receipts subject to the lodging tax under Minnesota Statutes, section 469.190. This tax is in addition

to any tax imposed under Minnesota Statutes, section 469.190, and the total tax imposed under that section and this provision must not exceed four percent.

~~Subd. 2. **Admissions and recreation tax.** Notwithstanding Minnesota Statutes, section 477A.016, or any other provision of law, ordinance, or city charter, the Board of Commissioners of Cook County may impose, by ordinance, a tax of up to three percent on admissions to entertainment and recreational facilities and rental of recreation equipment.~~

Subd. 3. **Use of taxes.** The ~~taxes~~ tax imposed in ~~subdivisions~~ subdivision 1 and 2 must be used to fund a new Cook County Event and Visitors Bureau as established by the Board of Commissioners of Cook County. The Board of Commissioners of Cook County must annually review the budget of the Cook County Event and Visitors Bureau. The event and visitors bureau may not receive revenues raised from the ~~taxes~~ tax imposed in ~~subdivisions~~ subdivision 1 and 2 until the board of commissioners approves the annual budget.

Subd. 4. **Termination.** The ~~taxes~~ tax imposed in ~~subdivisions~~ subdivision 1 and 2 ~~terminate 15~~ terminates 30 years after ~~they are~~ it is first imposed.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

## ARTICLE 7

### MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 278.01, subdivision 1, is amended to read:

Subdivision 1. **Determination of validity.** (a) Any person having personal property, or any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed in comparison with other property in the (1) city, or (2) county, or (3) in the case of a county containing a city of the first class, the portion of the county excluding the first class city, or that the parcel has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of the claim, defense, or objection determined by the district court of the county in which the tax is levied or by the Tax Court by personally serving one copy of a petition for such determination upon the county auditor, ~~one copy on the county attorney, one copy on the county treasurer, and three copies on the county assessor.~~ The county assessor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be forwarded by the assessor to the school board of the school district in which the

111.1 ~~property is located.~~ The county auditor may waive personal service of a petition by: (i)  
111.2 agreeing to accept service through an alternative service method; (ii) designating an  
111.3 alternative service method on its website; or (iii) acknowledging receipt of a petition served  
111.4 through an alternative service method. An alternative service method includes but is not  
111.5 limited to service by email or by an electronic upload to a website designated by the county.  
111.6 Service may be made by any person, including a party to the action.

111.7 (b) ~~In counties where the office of county treasurer has been combined with the office~~  
111.8 ~~of county auditor, the county may elect to require the petitioner to serve the number of~~  
111.9 ~~copies as determined by the county.~~ Within 30 days after a petition is served and filed, the  
111.10 county auditor must provide a copy of the petition, if a copy has not already been provided,  
111.11 to the county assessor, county treasurer, and the county attorney. The county assessor shall  
111.12 immediately forward one copy of the petition to the appropriate governmental authority in  
111.13 a home rule charter or statutory city or town in which the property is located if that city or  
111.14 town employs its own certified assessor. On or before the first day of July, the county auditor  
111.15 must send a list of petitioned properties, including to the school board of the school district  
111.16 in which the property is located. The list must include the name of the petitioner, the  
111.17 identification number of the property, and the estimated market value, shall be sent on or  
111.18 before the first day of July by the county auditor/treasurer to the school board of the school  
111.19 district in which the property is located of the property.

111.20 (c) For all counties, the petitioner must file ~~the copies with~~ a copy of the petition and  
111.21 proof of service, of the petition in the office of the court administrator of the district court  
111.22 on or before April 30 of the year in which the tax becomes payable. A petition for  
111.23 determination under this section may be transferred by the district court to the Tax Court.  
111.24 An appeal may also be taken to the Tax Court under chapter 271 at any time following  
111.25 receipt of the valuation notice that county assessors or city assessors having the powers of  
111.26 a county assessor are required by section 273.121 to send to persons whose property is to  
111.27 be included on the assessment roll that year, but prior to May 1 of the year in which the  
111.28 taxes are payable.

111.29 Sec. 2. Minnesota Statutes 2022, section 279.03, subdivision 1a, is amended to read:

111.30 Subd. 1a. **Rate.** (a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), interest on  
111.31 delinquent property taxes, penalties, and costs unpaid on or after January 1 is payable at the  
111.32 per annum rate determined in section 270C.40, subdivision 5. ~~If the rate so determined is~~  
111.33 ~~less than ten percent, the rate of interest is ten percent.~~ The maximum per annum rate is 14

112.1 percent if the rate specified under section 270C.40, subdivision 5, exceeds 14 percent. The  
112.2 rate is subject to change on January 1 of each year.

112.3 (b) If a person is the owner of one or more parcels of property on which taxes are  
112.4 delinquent, and the delinquent taxes are more than 25 percent of the prior year's school  
112.5 district levy, interest on the delinquent property taxes, penalties, and costs unpaid is payable  
112.6 at twice the rate determined under paragraph (a) for the year.

112.7 (c) A county board, by resolution, may establish an interest rate lower than the interest  
112.8 rate determined under paragraph (a).

112.9 **EFFECTIVE DATE.** This section is effective for property taxes, penalties, and costs  
112.10 determined to be delinquent on or after January 1, 2024.

112.11 Sec. 3. Minnesota Statutes 2022, section 282.261, subdivision 2, is amended to read:

112.12 Subd. 2. **Interest rate.** (a) Except as provided under paragraph (b), the unpaid balance  
112.13 on any repurchase contract approved by the county board is subject to interest at the rate  
112.14 determined in section 279.03, subdivision 1a. The interest rate is subject to change each  
112.15 year on the unpaid balance in the manner provided for rate changes in section 279.03,  
112.16 subdivision 1a.

112.17 (b) A county board, by resolution, or a county auditor, if delegated the responsibility to  
112.18 administer tax-forfeited land assigned to the county board as provided under section 282.135,  
112.19 may establish an interest rate lower than the interest rate determined under paragraph (a).

112.20 **EFFECTIVE DATE.** This section is effective January 1, 2024.

112.21 Sec. 4. **[428B.01] DEFINITIONS.**

112.22 Subdivision 1. **Applicability.** As used in sections 428B.01 to 428B.09, the terms in this  
112.23 section have the meanings given them.

112.24 Subd. 2. **Activity.** "Activity" means but is not limited to all of the following:

112.25 (1) promotion of tourism within the district;

112.26 (2) promotion of business activity, including but not limited to tourism, of businesses  
112.27 subject to the service charge within the tourism improvement district;

112.28 (3) marketing, sales, and economic development; and



113.1 (4) other services provided for the purpose of conferring benefits upon businesses located  
113.2 in the tourism improvement district that are subject to the tourism improvement district  
113.3 service charge.

113.4 Subd. 3. **Business.** "Business" means a lodging business as defined by municipal  
113.5 ordinance.

113.6 Subd. 4. **Business owner.** "Business owner" means a person recognized by a municipality  
113.7 as the owner of a business.

113.8 Subd. 5. **City.** "City" means a home rule charter or statutory city.

113.9 Subd. 6. **Clerk.** "Clerk" means the chief clerical officer of the municipality.

113.10 Subd. 7. **Governing body.** "Governing body" means, with respect to a city, a city council  
113.11 or other governing body of a city. With respect to a town, governing body means a town  
113.12 board or other governing body of a town. With respect to a county, governing body means  
113.13 a board of commissioners or other governing body of a county.

113.14 Subd. 8. **Impacted business owners.** "Impacted business owners" means a majority of  
113.15 business owners located within a proposed or established tourism improvement district.

113.16 Subd. 9. **Municipality.** "Municipality" means a county, city, or town.

113.17 Subd. 10. **Tourism improvement association.** "Tourism improvement association"  
113.18 means a new or existing and tax-exempt nonprofit corporation, entity, or agency charged  
113.19 with promoting tourism within the tourism improvement district and that is under contract  
113.20 with the municipality to administer the tourism improvement district and implement the  
113.21 activities and improvements listed in the municipality's ordinance.

113.22 Subd. 11. **Tourism improvement district.** "Tourism improvement district" means a  
113.23 tourism improvement district established under this chapter.

113.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

113.25 Sec. 5. **[428B.02] ESTABLISHMENT OF TOURISM IMPROVEMENT DISTRICT.**

113.26 Subdivision 1. **Ordinance.** (a) Upon a petition by impacted business owners, a governing  
113.27 body of a municipality may adopt an ordinance establishing a tourism improvement district  
113.28 after holding a public hearing on the district. The ordinance must include:

113.29 (1) a map that identifies the tourism improvement district boundaries in sufficient detail  
113.30 to allow a business owner to determine whether a business is located within the tourism  
113.31 improvement district boundaries;

114.1 (2) the name of the tourism improvement association designated to administer the tourism  
114.2 improvement district and implement the approved activities and improvements;

114.3 (3) a list of the proposed activities and improvements in the tourism improvement district;

114.4 (4) the time and manner of collecting the service charge and any interest and penalties  
114.5 for nonpayment;

114.6 (5) the rate, method, and basis of the service charge with intent, and penalties on  
114.7 delinquent payments for the district, including the portion dedicated to covering expenses  
114.8 listed in subdivision 4, paragraph (b); and

114.9 (6) the number of years the service charge will be in effect.

114.10 (b) If the boundaries of a proposed tourism improvement district overlap with the  
114.11 boundaries of an existing special service district, the tourism improvement district ordinance  
114.12 may list measures to avoid any impediments on the ability of the special service district to  
114.13 continue to provide its services to benefit its property owners.

114.14 Subd. 2. **Notice.** A municipality must provide notice of the hearing by publication in at  
114.15 least two issues of the official newspaper of the municipality. The two publications must  
114.16 be two weeks apart and the municipality must hold the hearing at least three days after the  
114.17 last publication. Not less than ten days before the hearing, the municipality must mail, or  
114.18 deliver by electronic means, notice to the business owner of each business subject to the  
114.19 proposed service charge by the tourism improvement district. The notice must include:

114.20 (1) a map showing the boundaries of the proposed district;

114.21 (2) the time and place of the hearing;

114.22 (3) a statement that all interested persons will be given an opportunity to be heard at the  
114.23 hearing regarding the proposed service charge; and

114.24 (4) a brief description of the proposed activities, improvements, and service charge.

114.25 Subd. 3. **Business owner determination.** A business must provide ownership information  
114.26 to the municipality. A municipality has no obligation to obtain other information regarding  
114.27 the ownership of businesses, and its determination of ownership shall be final for the purposes  
114.28 of this chapter. If this chapter requires the signature of a business owner, the signature of  
114.29 the authorized representative of a business owner is sufficient.

114.30 Subd. 4. **Service charges; relationship to services.** (a) A municipality may impose a  
114.31 service charge on a business pursuant to this chapter for the purpose of providing activities  
114.32 and improvements that will provide benefits to a business that is located within the tourism

115.1 improvement district and subject to the tourism improvement district service charge. Each  
115.2 business paying a service charge within a district must benefit directly or indirectly from  
115.3 improvements provided by a tourism improvement association, provided, however, the  
115.4 business need not benefit equally. Service charges must be based on a percent of gross  
115.5 business revenue, a fixed dollar amount per transaction, or any other reasonable method  
115.6 based upon benefit and approved by the municipality.

115.7 (b) Service charges may be used to cover the costs of collections, as well as other  
115.8 administrative costs associated with operating, forming, or maintaining the district.

115.9 Subd. 5. **Public hearing.** At the hearing regarding the adoption of the ordinance  
115.10 establishing a tourism improvement district, business owners and persons affected by the  
115.11 proposed district may testify on issues relevant to the proposed district. The hearing may  
115.12 be adjourned from time to time. The ordinance establishing the district may be adopted at  
115.13 any time within six months after the date of the conclusion of the hearing by a vote of the  
115.14 majority of the governing body of the municipality.

115.15 Subd. 6. **Appeal to district court.** Within 45 days after the adoption of the ordinance  
115.16 establishing a tourism improvement district, a person aggrieved, who is not precluded by  
115.17 failure to object before or at the hearing, may appeal to the district court by serving a notice  
115.18 on the clerk of the municipality or governing body. The validity of the tourism improvement  
115.19 district and the service charge imposed under this chapter shall not be contested in an action  
115.20 or proceeding unless the action or proceeding is commenced within 45 days after the adoption  
115.21 of the ordinance establishing a tourism improvement district. The petitioner must file notice  
115.22 with the court administrator of the district court within ten days after its service. The clerk  
115.23 of the municipality must provide the petitioner with a certified copy of the findings and  
115.24 determination of the governing body. The court may affirm the action objected to or, if the  
115.25 petitioner's objections have merit, modify or cancel it. If the petitioner does not prevail on  
115.26 the appeal, the costs incurred shall be charged to the petitioner by the court and judgment  
115.27 entered for them. All objections shall be deemed waived unless presented on appeal.

115.28 Subd. 7. **Notice to the commissioner of revenue.** Within 30 days of adoption of the  
115.29 ordinance, the governing body must send a copy of the ordinance to the commissioner of  
115.30 revenue.

115.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 6. **[428B.03] SERVICE CHARGE AUTHORITY; NOTICE; HEARING REQUIREMENT.**

**Subdivision 1. Authority.** A municipality may impose service charges authorized under section 428B.02, subdivision 4, to finance an activity or improvement in the tourism improvement district that is provided by the municipality if the activity or improvement is provided in the tourism improvement district at an increased level of service. The service charges may be imposed in the amount needed to pay for the increased level of service provided by the activity or improvement.

**Subd. 2. Annual hearing requirement; notice.** Beginning one year after the establishment of the tourism improvement district, the municipality must hold an annual public hearing regarding continuation of the service charges in the tourism improvement district. The municipality must provide notice of the hearing by publication in the official newspaper at least seven days before the hearing. The municipality must mail, or deliver by electronic means, notice of the hearing to business owners subject to the service charge at least seven days before the hearing. At the hearing, a person affected by the proposed district may testify on issues relevant to the proposed district. Within six months of the hearing, the municipality may adopt a resolution to continue imposing service charges within the district not exceeding the amount or rate expressed in the notice. For purposes of this section, the notice must include:

(1) a map showing the boundaries of the district;

(2) the time and place of the hearing;

(3) a statement that all interested persons will be given an opportunity to be heard at the hearing regarding the proposed service charge;

(4) a brief description of the proposed activities and improvements;

(5) the estimated annual amount of proposed expenditures for activities and improvements;

(6) the rate of the service charge for the district during the year and the nature and character of the proposed activities and improvements for the district during the year in which service charges are collected;

(7) the number of years the service charge will be in effect; and

(8) a statement that the petition requirement of section 428B.07 has either been met or does not apply to the proposed service charge.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 7. **[428B.04] MODIFICATION OF ORDINANCE.**

**Subdivision 1. Adoption of ordinance; request for modification.** Upon written request of the tourism improvement association, the governing body of a municipality may adopt an ordinance to modify the district after conducting a public hearing on the proposed modifications. If the modification includes a change to the rate, method, and basis of imposing the service charge or the expansion of the tourism improvement district's geographic boundaries, a petition as described in section 428B.07 must be submitted by impacted business owners to initiate proceedings for modification.

**Subd. 2. Notice of modification.** A municipality must provide notice of the hearing by publication in at least two issues of the municipality's official newspaper. The two publications must be two weeks apart and the municipality must hold a hearing at least three days after the last publication. Not less than ten days before the hearing, the municipality must mail, or deliver by electronic means, notice to the business owner of each business subject to the service charge by the tourism improvement district. The notice must include:

(1) a map showing the boundaries of the district and any proposed changes to the boundaries of the district;

(2) the time and place of the hearing;

(3) a statement that all interested persons will be given an opportunity to be heard at the hearing regarding the proposed service charge; and

(4) a brief description of the proposed modification to the ordinance.

**Subd. 3. Hearing on modification.** At the hearing regarding modification to the ordinance, business owners and persons affected by the proposed modification may testify on issues relevant to the proposed modification. Within six months after the conclusion of the hearing, the municipality may adopt the ordinance modifying the district by a vote of the majority of the governing body in accordance with the request for modification by the tourism improvement association and as described in the notice.

**Subd. 4. Objection.** If the modification of the ordinance includes the expansion of the tourism improvement district's geographic boundaries, the ordinance modifying the district may be adopted after following the notice and veto requirements in section 428B.08; however, a successful objection will be determined based on a majority of business owners who will pay the service charge in the expanded area of the district. For all other

118.1 modifications, the ordinance modifying the district may be adopted following the notice  
118.2 and veto requirements in section 428B.08.

118.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

118.4 Sec. 8. **[428B.05] COLLECTION OF SERVICE CHARGES; PENALTIES.**

118.5 The service charges imposed under this chapter may be collected by the municipality,  
118.6 tourism improvement association, or other designated agency or entity. Collection of the  
118.7 service charges must be made at the time and in the manner set forth in the ordinance. The  
118.8 entity collecting the service charges may charge interest and penalties on delinquent payments  
118.9 for service charges imposed under this chapter as set forth in the municipality's ordinance.

118.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

118.11 Sec. 9. **[428B.06] TOURISM IMPROVEMENT ASSOCIATION.**

118.12 Subdivision 1. **Composition and duties.** The tourism improvement association must  
118.13 be designated in the municipality's ordinance. The tourism improvement association shall  
118.14 appoint a governing board or committee composed of a majority of business owners who  
118.15 pay the tourism improvement district service charge, or the representatives of those business  
118.16 owners. The governing board or committee must manage the funds raised by the tourism  
118.17 improvement district and fulfill the obligations of the tourism improvement district. A  
118.18 tourism improvement association has full discretion to select the specific activities and  
118.19 improvements that are funded with tourism improvement district service charges within the  
118.20 authorized activities and improvements described in the ordinance.

118.21 Subd. 2. **Annual report.** The tourism improvement association must submit to the  
118.22 municipality an annual report for each year in which a service charge is imposed. The report  
118.23 must include a financial statement of revenue raised by the district. The municipality may  
118.24 also, as part of the enabling ordinance, require the submission of other relevant information  
118.25 related to the association.

118.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

118.27 Sec. 10. **[428B.07] PETITION REQUIRED.**

118.28 A municipality may not establish a tourism improvement district under section 428B.02  
118.29 unless impacted business owners file a petition requesting a public hearing on the proposed  
118.30 action with the clerk of the municipality.

118.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

119.1 Sec. 11. **[428B.08] VETO POWER OF OWNERS.**

119.2 Subdivision 1. Notice of right to file objections. The effective date of an ordinance or  
119.3 resolution adopted under this chapter must be at least 45 days after it is adopted by the  
119.4 municipality. Within five days after the municipality adopts the ordinance or resolution,  
119.5 the municipality must mail a summary of the ordinance or resolution to each business owner  
119.6 subject to the service charge within the tourism improvement district in the same manner  
119.7 that notice is mailed, or delivered by electronic means, under section 428B.02. The mailing  
119.8 must include a notice that business owners subject to the service charge have the right to  
119.9 veto, by a simple majority, the ordinance or resolution by filing the required number of  
119.10 objections with the clerk of the municipality before the effective date of the ordinance or  
119.11 resolution and include notice that a copy of the ordinance or resolution is available for public  
119.12 inspection with the clerk of the municipality.

119.13 Subd. 2. Requirements for veto. If impacted business owners file an objection to the  
119.14 ordinance or resolution before the effective date of the ordinance or resolution, the ordinance  
119.15 or resolution does not become effective.

119.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

119.17 Sec. 12. **[428B.09] DISESTABLISHMENT.**

119.18 Subdivision 1. Procedure for disestablishment. An ordinance adopted under this chapter  
119.19 must provide a 30-day period each year in which business owners subject to the service  
119.20 charge may request disestablishment of the district. Beginning one year after establishment  
119.21 of the tourism improvement district, an annual 30-day period of disestablishment begins  
119.22 with the anniversary of the date of establishment. Upon submission of a petition from  
119.23 impacted business owners, the municipality may disestablish a tourism improvement district  
119.24 by adopting an ordinance after holding a public hearing on the disestablishment. Prior to  
119.25 the hearing, the municipality must publish notice of the hearing on disestablishment in at  
119.26 least two issues of the municipality's official newspaper. The two publications must be two  
119.27 weeks apart and the municipality must hold the hearing at least three days after the last  
119.28 publication. Not less than ten days before the hearing, the municipality must mail, or deliver  
119.29 by electronic means, notice to the business owner of each business subject to the service  
119.30 charge. The notice must include:

119.31 (1) the time and place of the hearing;

119.32 (2) a statement that all interested persons will be given an opportunity to be heard at the  
119.33 hearing regarding disestablishment;

(3) the reason for disestablishment; and

(4) a proposal to dispose of any assets acquired with the revenues of the service charge imposed under the tourism improvement district.

Subd. 2. **Objection.** An ordinance disestablishing the tourism improvement district becomes effective following the notice and veto requirements in section 428B.08.

Subd. 3. **Refund to business owners.** (a) Upon the disestablishment of a tourism improvement district, any remaining revenues derived from the service charge, or any revenues derived from the sale of assets acquired with the service charge revenues, shall be refunded to business owners located and operating within the tourism improvement district in which service charges were imposed by applying the same method and basis that was used to calculate the service charges levied in the fiscal year in which the district is disestablished.

(b) If the disestablishment occurs before the service charge is imposed for the fiscal year, the method and basis that was used to calculate the service charge imposed in the immediate prior fiscal year shall be used to calculate the amount of a refund, if any.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 13. **[428B.10] COORDINATION OF DISTRICTS.**

If a county establishes a tourism improvement district in a city or town under this chapter, a city or town may not establish a tourism improvement district in the part of the city or town located in the county-established district. If a city or town establishes a tourism improvement district under this chapter, a county may not establish a tourism improvement district in the part of the city or town located in the city- or town-established district.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 14. **CITY OF VIRGINIA; NET DEBT LIMIT EXEMPTION.**

The city of Virginia may finance the construction of a public safety building in the city of Virginia by obtaining a loan from the United States Department of Agriculture secured by its general obligation pledge. Any bonds issued relating to this construction project or repayment of the loan must not be included in the computation of the city's limit on net debt under Minnesota Statutes, section 475.53, subdivision 1.

**EFFECTIVE DATE.** This section is effective the day following final enactment.



121.1     Sec. 15. **RAMSEY COUNTY; EXTENDING REDEMPTION PERIODS OF**  
121.2     **PROPERTIES IN TARGETED COMMUNITIES.**

121.3         The period of redemption under Minnesota Statutes, chapter 281, shall be three years  
121.4     for all lands in Ramsey County that are, or previously were, located in a targeted community  
121.5     as defined in Minnesota Statutes, section 469.201, subdivision 10, and that are sold to the  
121.6     state in a tax judgment sale as a result of delinquency in paying taxes for taxes payable year  
121.7     2023 or later.

121.8         **EFFECTIVE DATE.** This section is effective the day after the governing body of  
121.9     Ramsey County and its chief clerical officer comply with the requirements of Minnesota  
121.10    Statutes, section 645.021, subdivisions 2 and 3, but any compliance with these requirements  
121.11    must be completed no later than December 31, 2023.

**290A.03 DEFINITIONS.**

Subd. 9. **Disabled claimant.** "Disabled claimant" means any claimant who has a disability.

Subd. 11. **Rent constituting property taxes.** "Rent constituting property taxes" means 17 percent of the gross rent actually paid in cash, or its equivalent, or the portion of rent paid in lieu of property taxes, in any calendar year by a claimant for the right of occupancy of the claimant's Minnesota homestead in the calendar year, and which rent constitutes the basis, in the succeeding calendar year of a claim for relief under this chapter by the claimant.

**290A.04 REFUND ALLOWABLE.**

Subd. 2a. **Renters.** A claimant whose rent constituting property taxes exceeds the percentage of the household income stated below must pay an amount equal to the percent of income shown for the appropriate household income level along with the percent to be paid by the claimant of the remaining amount of rent constituting property taxes. The state refund equals the amount of rent constituting property taxes that remain, up to the maximum state refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
\$0 to 5,269	1.0 percent	5 percent	\$ 2,150
5,270 to 6,999	1.0 percent	10 percent	\$ 2,150
7,000 to 8,749	1.1 percent	10 percent	\$ 2,090
8,750 to 12,269	1.2 percent	10 percent	\$ 2,040
12,270 to 15,779	1.3 percent	15 percent	\$ 1,980
15,780 to 17,519	1.4 percent	15 percent	\$ 1,930
17,520 to 19,259	1.4 percent	20 percent	\$ 1,880
19,260 to 22,779	1.5 percent	20 percent	\$ 1,820
22,780 to 24,529	1.6 percent	20 percent	\$ 1,770
24,530 to 26,279	1.7 percent	25 percent	\$ 1,770
26,280 to 29,789	1.8 percent	25 percent	\$ 1,770
29,790 to 31,529	1.9 percent	30 percent	\$ 1,770
31,530 to 36,789	2.0 percent	30 percent	\$ 1,770
36,790 to 42,039	2.0 percent	35 percent	\$ 1,770
42,040 to 49,059	2.0 percent	40 percent	\$ 1,770
49,060 to 50,799	2.0 percent	45 percent	\$ 1,610
50,800 to 52,559	2.0 percent	45 percent	\$ 1,450
52,560 to 54,319	2.0 percent	45 percent	\$ 1,230
54,320 to 56,059	2.0 percent	50 percent	\$ 1,070
56,060 to 57,819	2.0 percent	50 percent	\$ 970
57,820 to 59,569	2.0 percent	50 percent	\$ 540
59,570 to 61,319	2.0 percent	50 percent	\$ 210

The payment made to a claimant is the amount of the state refund calculated under this subdivision. No payment is allowed if the claimant's household income is \$61,320 or more.

**290A.23 APPROPRIATION.**

Subdivision 1. **Renters credit.** There is appropriated from the general fund in the state treasury to the commissioner of revenue the amount necessary to make the payments required under section 290A.04, subdivision 2a.

**477A.011 DEFINITIONS.**

Subd. 30a. **Percent of housing built between 1940 and 1970.** "Percent of housing built between 1940 and 1970" is equal to 100 times the most recent count by the United States Bureau of the Census of all housing units in the city built after 1939 but before 1970, divided by the total number of all housing units in the city. Housing units includes both occupied and vacant housing units as defined by the federal census.

Subd. 38. **Household size.** "Household size" means the average number of persons per household in the jurisdiction as most recently estimated and reported by the state demographer and Metropolitan Council as of July 15 of the aid calculation year. A revision to an estimate or enumeration is effective for these purposes only if it is certified to the commissioner on or before July 15 of the aid calculation year. Clerical errors in the certification or use of estimates and counts established as of July 15 in the aid calculation year are subject to correction within the time periods allowed under section 477A.014.

Subd. 42. **Jobs per capita in the city.** "Jobs per capita in the city" means (1) the average annual number of employees in the city based on the data from the Quarterly Census of Employment and Wages, as reported by the Department of Employment and Economic Development, for the most recent calendar year available November 1 of every odd-numbered year, divided by (2) the city's population for the same calendar year as the employment data. The commissioner of the Department of Employment and Economic Development shall certify to the city the average annual number of employees for each city by January 1 of every even-numbered year beginning with January 1, 2014. A city may challenge an estimate under this paragraph by filing its specific objection, including the names of employers that it feels may have misreported data, in writing with the commissioner by December 1 of every odd-numbered year. The commissioner shall make every reasonable effort to address the specific objection and adjust the data as necessary. The commissioner shall certify the estimates of the annual employment to the commissioner of revenue by January 1 of all even-numbered years, including any estimates still under objection.

Subd. 45. **Sparsity adjustment.** For a city with a population of 10,000 or more, the sparsity adjustment is 100 for any city with an average population density less than 150 per square mile, according to the most recent federal census. For a city with a population less than 10,000, the sparsity adjustment is 200 for any city with an average population density less than 30 per square mile, according to the most recent federal census. The sparsity adjustment is zero for all other cities.

**477A.013 MUNICIPAL GOVERNMENT DISTRIBUTIONS.**

Subd. 13. **Certified aid adjustments.** (a) A city that received an aid base increase under Minnesota Statutes 2012, section 477A.011, subdivision 36, paragraph (e), shall have its total aid under subdivision 9 increased by an amount equal to \$150,000 for aids payable in 2014 through 2018.

(b) A city that received an aid base increase under Minnesota Statutes 2012, section 477A.011, subdivision 36, paragraph (r), shall have its total aid under subdivision 9 increased by an amount equal to \$160,000 for aids payable in 2014 and thereafter.

(c) A city that received a temporary aid increase under Minnesota Statutes 2012, section 477A.011, subdivision 36, paragraph (o), shall have its total aid under subdivision 9 increased by an amount equal to \$1,000,000 for aids payable in 2014 only.